

**Avista Corp.**

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Corp.

August 15, 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, July 2006

Dear Ms. Washburn:

Enclosed are an original and five copies of Avista Corporation's Power Cost Deferral Report for the month of July 2006. The report includes the monthly energy recovery mechanism (ERM) accounting journal together with backup workpapers. In July a deferral entry was made in the surcharge direction of \$3,020,243, resulting in net deferrals recorded so far in 2006 to be \$1,728,220 in the rebate direction.

Actual power supply expenses were higher than authorized due primarily to lower hydro generation coupled with high loads and high wholesale power prices. Hydro generation was 85 aMW below the authorized level. Washington retail loads were 66 aMW above the authorized level. The average market purchase price was \$63.31/MWh compared to an authorized rate of \$50.54/MWh. The average market sales price was \$50.48/MWh compared to an authorized sales price of \$41.96/MWh.

Due to economics, Coyote Springs 2 generated 121 aMW above the authorized level. Other gas-fired resources generated 19 aMW above the authorized level due to economics. Colstrip generated 16 aMW below the authorized level and Kettle Falls generated 2 aMW above the authorized level. Thermal fuel expense and natural gas fuel expense were both above the authorized level. Net transmission expense (transmission expense less transmission revenue) was below the authorized level.

The journal and workpapers associated with the levelized Enron contract amortization, updated for the new semi-annual carrying charge, are included in the enclosed report at pages 23-25. Workpapers supporting the semi-annual update of the carrying charge are included in the enclosed report at pages 26-28. There were no forward long-term contracts of one year or longer entered into in the month of July 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

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

MONTH OF JULY 2006

Avista Corporation Journal Entry

Effective Date: 200607

Journal: 481-WA ERM

Team: Resource Accounting

Last Saved by: Lori Hamilton

Last Saved: 08/04/2006 4:23 PM

Type: C

Submitted by: Lori Hamilton

Category: DJ

<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	557290 - WA ERM AMORTIZATION	ED	WA	DL	2,289,262.00		WA ERM surcharge amortization
20	182350 - REGULATORY ASSET ERM APPROVED FOR	ED	WA	DL		2,289,262.00	WA ERM authorized for recovery
30	557280 - DEFERRED POWER SUPPLY EXPENSE	ED	WA	DL		3,020,243.00	WA ERM current month deferral
40	186280 - REGULATORY ASSET ERM DEFERRED CURRENT	ED	WA	DL	3,020,243.00		WA ERM current year deferral
50	182350 - REGULATORY ASSET ERM APPROVED FOR	ED	WA	DL	367,324.00		Accrue interest on deferral balance authorized for recovery
60	186280 - REGULATORY ASSET ERM DEFERRED CURRENT	ED	WA	DL		14,654.00	Accrue interest on current year deferral balance
70	186290 - REGULATORY ASSET ERM DEFERRED LAST	ED	WA	DL	0.00		Accrue interest on previous year deferral balance
80	419600 - INTEREST ON ENERGY DEFERRALS	ED	WA	DL		352,670.00	Non-utility interest income
90	410100 - PRV DFIT DR	ED	WA	DL	255,843.00		DFIT entry for power supply deferral and surcharge amortization
100	410200 - DFIT EXP-NONOPER (DR)	ZZ	ZZ	DL			Non -op DFIT entry for interest income
110	283280 - ADFIT ERM	ED	WA	DL	123,434.00		ADFIT WA ERM current and prior years
120	186010 - REGULATORY ASSET ERM YTD COMPANY BAND	ED	WA	DL	1,466,054.00		Track YTD company band accumulation
130	186020 - REGULATORY ASSET ERM YTD CONTRA	ED	WA	DL		1,466,054.00	Contra account for YTD company band accumulation
	<b>TOTALS:</b>				<b>7,522,160.00</b>	<b>7,522,160.00</b>	

# Avista Corporation Journal Entry

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

Effective Date: 200607  
Last Saved by: Lori Hamilton  
Submitted by: Lori Hamilton  
Last Saved: 08/04/2006 4:23 PM

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

<u>Lori Hamilton</u>	<u>8/4/06</u>
Prepared by Lori Hamilton	Date
<u>Jami Gudge</u>	<u>8/4/06</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	
200606	USD	-2,956,443.00		-4,788,222.00	
200607	USD	3,005,589.00		-1,782,633.00	

Journal Details

Summary Balances

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

**Account 186280.ED.WA**

	Amount	Journal ID
Balance 6/30/06	-\$4,788,222.00	
Deferral	3,020,243.00	481 - WA ERM
Interest	-14,654.00	481 - WA ERM
Balance 7/31/06	<u><u>-\$1,782,633.00</u></u>	
Year to date deferrals	-\$1,728,220.00	
Year to date interest	-54,413.00	
Balance in account	<u><u>-\$1,782,633.00</u></u>	

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



Period	Currency	PTD	PTD Converted	YTD	YTD Converted
<b>200513</b>	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	
200606	USD	-4,229,408.00		0.00	
200607	USD	0.00		0.00	

Journal Details

Summary Balances

**ERM Deferral Balance (Prior year - 2005)**  
**Account 186290.ED.WA**  
 Balance 6/30/06  
 No current month activity  
 Balance 7/31/06

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

Balance Type		Actual		Currency Type		Entered	
				Factor		Units	
Period	Currency	PTD	PTD Converted	YTD	YTD Converted		
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			
200606	USD	2,394,441.00		83,312,754.65			
200607	USD	-1,921,938.00		81,390,816.65			

Journal Details

Summary Balances

**Recoverable Deferral Balance**  
**Account 182350.ED.WA**  
 Balance 6/30/06  
 Amortization  
 Interest  
 Balance 7/31/06

Amount	Journal ID
\$83,312,754.65	
-2,289,262.00	481 - WA ERM
367,324.00	481 - WA ERM
<u>\$81,390,816.65</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	
200606	USD	-28,485.00		173,548.00	
200607	USD	-28,603.00		144,945.00	

Journal Details

Summary Balances

**Contract Buyout Deferral Balance**

**Account 182360.ED.WA**

Balance 6/30/06

Amortization\*

Interest

Balance 7/31/06

Amount

\$173,548.00

-29,313.00 485 - ECB AMORT

710.00 485 - ECB AMORT

\$144,945.00

Journal ID

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

\$32,570



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	
200606	USD	1,805,726.00		-7,194,274.00	
200607	USD	1,466,054.00		-5,728,220.00	

Journal Details

Summary Balances

**ERM Deadband plus Amounts Absorbed**

Account 186010.ED.WA

	<u>Amount</u>	<u>Journal ID</u>
Balance 6/30/06	-\$7,194,274.00	
Current month entry	1,466,054.00	481 - WA ERM
Balance 7/31/06	<u>-5,728,220.00</u>	

	<u>Total</u>	<u>Absorbed</u>	<u>Deferred</u>
First \$4,000,000 at 100%	-\$4,000,000.00	-\$4,000,000.00	\$0.00
\$4,000,000 to \$10,000,000 at 50%	-3,456,440.00	-1,728,220.00	-1,728,220.00
Over \$10,000,000 at 10%	0.00	0.00	0.00
<b>Total</b>	<u>-7,456,440.00</u>	<u>-5,728,220.00</u>	<u>-\$1,728,220.00</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	
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	
200607	USD	-1,466,054.00		5,728,220.00	

Journal Details

Summary Balances

**ERM Deadband Contra Account**

**Account 186020.ED.WA**

Balance 6/30/06

Current month entry

Balance 7/31/06

Amount

Journal ID

\$7,194,274.00

-1,466,054.00

481 - WA ERM

\$5,728,220.00

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	
200606	USD	1,676,991.00		-27,483,586.00	
200607	USD	379,277.00		-27,862,863.00	

Journal Details

Summary Balances

<b>DFIT Associated with ERM Deferrals</b>	
<b><u>Account 283280.ED.WA</u></b>	
Account 186280.ED.WA balance	-\$1,782,633.00
Account 186290.ED.WA balance	0.00
Account 182350.ED.WA balance	81,390,816.65
Total	<u>\$79,608,183.65</u>
Federal income tax rate	-35%
Deferred FIT related to deferrals	<u>-\$27,862,864</u>
Rounding	1
Balance in account	<u><u>-\$27,862,863</u></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	
200607	USD	10,011.00		-50,734.00	

Journal Details

Summary Balances

**DFIT Associated with Contract Buyout Deferral**

**Account 283360.ED.WA**

Account 182360.ED.WA balance

\$144,945.00

Federal income tax rate

-35%

Deferred FIT related to contract buyout deferral

-\$50,731

Rounding

-3

Balance in account

-\$50,734

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 8.253%			
The monthly rate is:				The monthly rate is:			
		0.00675	Before Tax			0.00687750	Before Tax
		0.0043875	After Tax			0.0044704	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
06-30-2006	Transfer from 186290	4,247,566					
06-30-2006	GL Balance including interest	83,312,755		Jul-06	DFIT Expense		ADFIT
Jul-06	Surcharge Amortization	(2,289,262)		Amortization	(801,242)	Operating	801,242
Jul-06	Interest		367,324	Interest	128,563	Nonoperating	(128,563)
07-31-2006	Balance before interest	81,023,493			(672,679)	Total	672,679
				GL Balance	Activity	GL Balance	
				06-30-2006	Jun-06	07-31-2006	
	<b>Net ERM Balance</b>	<b>81,390,817</b>		<b>83,312,755</b>	<b>(1,921,938)</b>	<b>81,390,817</b>	
	<b>ADFIT Balance</b>	<b>(28,486,786)</b>					

Changes Semiannually on January 1 and July 1 Beginning 7/1/02						
The rate is based on Avista's actual cost of debt, updated semiannually.						
The actual cost of debt calculated at 6/30 will be used for the interest calculation from July through December.						
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 8.253%		
The monthly rate is:		0.00675	Before Tax	The monthly rate is:		0.00687750 Before Tax
		0.0043875	After Tax			0.0044704 After Tax
		0.35	Tax rate			0.35 Tax rate
<b>Account 186280</b>		<b>2006 Interest</b>				
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				
				<b>Jan-06</b>	<b>DFIT Expense</b>	<b>ADFIT</b>
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
				<b>Feb-06</b>	<b>DFIT Expense</b>	<b>ADFIT</b>
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
				<b>Mar-06</b>	<b>DFIT Expense</b>	<b>ADFIT</b>
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	202,546
				<b>Apr-06</b>	<b>DFIT Expense</b>	<b>ADFIT</b>
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	543,084
				<b>May-06</b>	<b>DFIT Expense</b>	<b>ADFIT</b>
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	657,064
				<b>Jun-06</b>	<b>DFIT Expense</b>	<b>ADFIT</b>
Jun-06	ERM Deferral	(761,356)	Deferral	(266,475)	Operating	266,475
Jun-06	Interest	(19,164)	Interest	(6,707)	Nonoperating	6,707
06-30-2006	Balance before interest	(4,748,463)		(273,182)	Total	273,182
06-30-2006	GL Balance including interest	(4,788,222)				
				<b>Jul-06</b>	<b>DFIT Expense</b>	<b>ADFIT</b>
Jul-06	ERM Deferral	3,020,243	Deferral	1,057,085	Operating	(1,057,085)
Jul-06	Interest	(14,654)	Interest	(5,129)	Nonoperating	5,129
07-31-2006	Balance before interest	(1,767,979)		1,051,956	Total	(1,051,956)
				<b>GL Balance</b>	<b>Activity</b>	<b>GL Balance</b>
	<b>Net ERM Balance</b>	<b>(1,782,633)</b>		<b>06-30-06</b>	<b>Jun-06</b>	<b>07-31-06</b>
				<b>(4,788,222)</b>	<b>3,005,589</b>	<b>(1,782,633)</b>
	<b>ADFIT Balance</b>	<b>623,922</b>				

Changes Semiannually on January 1 and July 1 Beginning 7/1/02							
The rate is based on Avista's actual cost of debt, updated semiannually.							
The actual cost of debt calculated at 6/30 will be used for the interest calculation from July through December.							
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 8.253%			
The monthly rate is:		0.00675	Before Tax	The monthly rate is:		0.00687750	Before Tax
		0.0043875	After Tax			0.0044704	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		Jan-06	DFIT Expense		ADFIT
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)
				Feb-06	DFIT Expense		ADFIT
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)
				Mar-06	DFIT Expense		ADFIT
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)
				Apr-06	DFIT Expense		ADFIT
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)
				May-06	DFIT Expense		ADFIT
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)
				Jun-06	DFIT Expense		ADFIT
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)
06-30-2006	GL Balance including interest	4,247,566		Jun-06	DFIT Expense		ADFIT
06-30-2006	ERM Transfer to 182350	(4,247,566)		Deferral	0	Operating	0
Jul-06	Interest	0	0	Interest	0	Nonoperating	0
07-31-2006	Balance before interest	0			0	Total	0
	<b>Net ERM Balance</b>	<b>0</b>		<b>GL Balance</b>	<b>Activity</b>	<b>GL Balance</b>	
				<b>06-30-06</b>	<b>Jun-06</b>	<b>07-31-06</b>	
	<b>ADFIT Balance</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	
Per Ron Mckenzie the prudency review completion is anticipated for June 2006.							
6/28/06 - WUTC deemed 2005 deferred power costs prudent. Reclass to 182350 after interest calculation.							

Tax Rate	35%	DJ481 LTD	DJ481 LTD	DJ481 LTD			DJ481 CURMO	
	283280	283280	283280	283280			283280	283280
<b>DJ481</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
07-31-2006	(27,483,586)	(28,486,786)	623,922	0			(27,862,864)	(379,278)
			<u>ADFIT</u>				<u>Interest</u>	
		<u>410100</u>	<u>410200</u>	<u>283280</u>		<u>182350</u>	<u>186280</u>	<u>186290</u>
								<u>419600</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)				
<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				
07-31-2006	182350	(801,242)	128,563	672,679		367,324	(14,654)	0
	186280	1,057,085	(5,129)	(1,051,956)				
	186290	0	0	0				
<b>Total</b>		255,843	123,434	(379,277)				
Recon:	Total interest 2006		2,632,938					
	Calc non op DFIT 2006		921,528					
	Total 410200 2006		921,529					



	YTD WA ERM Company Bands 186010	YTD WA ERM Contra Account 186020	GL Impact	YTD WA ERM Company Bands 186010	YTD WA ERM Contra Account 186020	GL Impact	YTD WA ERM Company Bands 186010	YTD WA ERM Contra Account 186020	GL Impact
12-31-2005	Balance	\$9,000,000	(\$9,000,000)			\$0			
2005 Requirement \$9,000,000									
Jan-06	Reverse 2005	(\$9,000,000)	\$9,000,000			\$0			
2006 Requirement									
Band 1 \$4,000,000									
Jan-06	Activity	(\$2,809,450)	\$2,809,450						
01-31-2006	Balance	(\$2,809,450)	\$2,809,450			\$0			
Feb-06	Activity	\$594,012	(\$594,012)						
02-28-2006	Balance	(\$2,215,438)	\$2,215,438			\$0			
Mar-06	Activity	(\$1,784,562)	\$1,784,562						
03-31-2006	Balance	(\$4,000,000)	\$4,000,000			\$0			
Apr-06	Activity	(\$4,000,000)	\$4,000,000						
04-30-2006	Balance	(\$4,000,000)	\$4,000,000			\$0			
May-06	Activity	(\$4,000,000)	\$4,000,000						
05-31-2006	Balance	(\$4,000,000)	\$4,000,000			\$0			
Jun-06	Activity	\$0	\$0						
06-30-2006	Balance	(\$4,000,000)	\$4,000,000			\$0			
Jul-06	Activity	\$0	\$0						
07-31-2006	Balance	(\$4,000,000)	\$4,000,000			\$0			
2006 50/50 Sharing \$4M - \$10M									
Band 2 <=									
Band 3									
2006 90/10 Sharing > \$10M									
Band 3									
Total company absorption YTD									
(\$5,728,220)									
\$5,728,220									

AVISTA CORPORATION  
 JULY 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)	Rate On/After 1-Jan-06 (i)			Total (j) (h)+(i)
					(c)*(d)*(f)	(c)*(e)*(g)	(c)*(d)*(f)	(c)*(e)*(g)			(h)+(i)
1 (0-600 kWh)	60.078%	95,345,999	0.00%	100.00%	0.405¢	0.446¢	\$0	\$425,243	0.956325	\$406,671	
1 (601-1300 kWh)	29.185%	46,317,670	0.00%	100.00%	0.607¢	0.668¢	0	309,402	0.956325	295,889	
1 (over 1300 kWh)	10.737%	17,040,015	0.00%	100.00%	0.853¢	0.938¢	0	159,835	0.956325	152,854	
Total Sch 1	100.000%	158,703,684					0	894,480		855,414	
11		28,675,158	0.00%	100.00%	0.788¢	0.867¢	0	248,614	0.956325	237,756	
12		2,722,272	0.00%	100.00%	0.788¢	0.867¢	0	23,602	0.956325	22,571	
21		127,966,682	0.00%	100.00%	0.549¢	0.604¢	0	772,919	0.956325	739,162	
22		2,524,396	0.00%	100.00%	0.549¢	0.604¢	0	15,247	0.956325	14,581	
25		78,406,009	0.00%	100.00%	0.352¢	0.387¢	0	303,431	0.956325	290,179	
30		4,222,260	0.00%	100.00%	0.485¢	0.534¢	0	22,547	0.956325	21,562	
31		11,468,486	0.00%	100.00%	0.485¢	0.534¢	0	61,242	0.956325	58,567	
32		1,709,863	0.00%	100.00%	0.485¢	0.534¢	0	9,131	0.956325	8,732	
41-46		\$291,401	0.00%	100.00%	109.78%	110.76%	0	28,309	0.956325	27,073	
47		\$87,339	0.00%	100.00%	109.78%	110.76%	0	8,485	0.956325	8,114	
48		\$59,748	0.00%	100.00%	109.78%	110.76%	0	5,804	0.956325	5,551	
Schedule Totals		416,398,810					\$0	\$2,393,811		\$2,289,262	
kWh not subject to surcharge										-35%	
Schedule 28		9,890								(\$801,242) DFIT Expense	
Sch 41-48		2,202,869									
Total kWh		418,611,569									

**Electric Revenue Report by Revenue Class**  
**Current Month and Year-to-Date**  
**for Accounting Period : 200607 , State Code : WA**

Accounting Period: 200607 | State Code: WA

	Meters	Usage	Revenue Amt	YTD Average Meters	Ytd Usage	Ytd Revenue Amt
Rate Schedule Num						
001	192,379	158,703,684	9,940,020	192,278	1,380,640,084	86,362,031
011	18,560	28,675,158	2,666,615	18,578	208,510,125	19,223,796
012	7,144	2,722,272	272,213	7,087	25,402,555	2,417,922
021	3,192	127,966,682	8,952,191	3,247	878,543,921	61,039,715
022	74	2,524,396	166,758	75	21,049,369	1,353,201
025	21	78,406,009	3,614,976	21	540,198,040	24,562,057
028	1	9,890	16,581	1	118,760	118,712
030	40	4,222,260	226,415	39	9,837,060	528,854
031	1,050	11,468,486	703,180	1,040	41,338,696	2,623,040
032	1,088	1,709,863	104,464	1,087	4,361,452	304,054
041	11	8,720	1,520	11	61,040	10,524
042	240	1,082,326	268,435	235	7,522,953	1,842,436
044	14	22,267	2,135	13	152,987	14,425
045	6	90,407	5,139	6	632,249	35,776
046	16	184,489	14,172	16	1,294,789	98,375
047	0	502,218	87,339	0	3,519,125	607,805
048	0	312,442	59,748	0	2,188,605	415,038
058	0	0	944,653	0	0	7,064,326
058A	0	0	-5,277	0	0	-47,740

**Electric Revenue Report by Revenue Class**  
**Current Month and Year-to-Date**  
 for Accounting Period : 200607 , State Code : WA

Accounting Period: 200607   State Code: WA
--

	Meters	Usage	Revenue Amt	YTD Average Meters	Ytd Usage	Ytd Revenue Amt
090	0	0	4	0	0	28
095	0	0	11,741	0	0	76,701
099	0	0	50,077	0	0	334,545
Total WA	223,836	418,611,569	28,103,099	223,734	3,125,371,810	208,985,620
Total WA	223,836	418,611,569	28,103,099	223,734	3,125,371,810	208,985,620

Avista Utilities  
 WASHINGTON POWER COST DEFERRALS

Line No.	Description	Actual												Actual Nov-06																																																												
		Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06																																																														
1	555 Purchased Power	\$125,424,331	\$17,910,644	\$23,505,825	\$13,191,911	\$12,879,532	\$14,111,451	\$23,185,412	\$-	\$-	\$-	\$-	\$-	\$-																																																												
2	501 Thermal Fuel	\$12,326,841	\$2,346,267	\$2,087,116	\$1,417,995	\$1,218,808	\$954,497	\$2,295,744	\$-	\$-	\$-	\$-	\$-	\$-																																																												
3	547 CT Fuel	\$32,292,576	\$4,081,840	\$6,063,627	\$566,800	\$1,039,557	\$2,516,462	\$9,342,220	\$-	\$-	\$-	\$-	\$-	\$-																																																												
4	447 Sale for Resale	\$(124,015,655)	\$(14,135,065)	\$(15,563,340)	\$(14,606,723)	\$(17,702,240)	\$(16,945,256)	\$(18,645,337)	\$-	\$-	\$-	\$-	\$-	\$-																																																												
5	Actual Net Expense	\$46,028,093	\$12,652,745	\$10,757,198	\$7,857,317	\$569,983	\$2,564,343	\$637,154	\$16,118,039	\$-	\$-	\$-	\$-	\$-																																																												
6	456100 Transmission Revenue	\$ (6,400,040)	\$ (586,712)	\$ (605,557)	\$ (686,810)	\$ (987,177)	\$ (1,501,608)	\$ (1,036,900)	\$-	\$-	\$-	\$-	\$-	\$-																																																												
7	565 Transmission Expense	\$6,527,783	\$924,193	\$914,470	\$909,246	\$867,053	\$953,460	\$1,042,755	\$-	\$-	\$-	\$-	\$-	\$-																																																												
8	557170 Broker Fees	\$ 67,346	\$ 8,757	\$ 10,643	\$ 7,440	\$ 14,679	\$ 6,308	\$ 13,453	\$-	\$-	\$-	\$-	\$-	\$-																																																												
9	Less Pottlatch 62 aMW directly to ID	\$(11,896,609)	\$ (1,854,831)	\$ (1,648,428)	\$ (1,504,346)	\$ (1,938,096)	\$ (1,089,696)	\$ (1,999,514)	\$-	\$-	\$-	\$-	\$-	\$-																																																												
10	Adjusted Actual Net Expense	\$34,326,573	\$11,144,152	\$9,428,346	\$5,924,369	\$4,616,255	\$994,624	\$14,137,833	\$-	\$-	\$-	\$-	\$-	\$-																																																												
<b>AUTHORIZED NET EXPENSE-SYSTEM</b>																																																																										
11	555 Purchased Power	\$78,312,672	\$11,193,778	\$7,844,080	\$5,167,798	\$3,919,404	\$3,947,698	\$4,611,314	\$6,114,915	\$7,038,560	\$6,475,870	\$1,715,380	\$1,660,551	\$1,660,551																																																												
12	501 Thermal Fuel	\$18,966,459	\$1,660,398	\$1,498,204	\$1,638,517	\$1,295,688	\$1,037,197	\$1,667,775	\$1,714,511	\$1,660,059	\$1,715,380	\$8,212,014	\$7,711,236	\$7,711,236																																																												
13	547 CT Fuel	\$70,026,232	\$5,972,958	\$4,558,576	\$4,700,957	\$3,330,490	\$1,269,298	\$4,313,402	\$6,001,145	\$7,105,523	\$8,212,014	\$2,440,168	\$ (5,554,272)	\$ (283,194)																																																												
14	447 Sale for Resale	\$ (62,059,914)	\$ (2,591,928)	\$ (3,322,097)	\$ (8,805,375)	\$ (10,402,116)	\$ (7,569,805)	\$ (6,457,020)	\$ (3,368,084)	\$ (1,492,368)	\$ (2,440,168)	\$ (861,257)	\$ (853,900)	\$ (853,900)																																																												
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	\$ 855,509	\$ (283,194)	\$ (283,194)																																																												
16	456100 Transmission Revenue	\$ (10,268,650)	\$ (850,551)	\$ (850,576)	\$ (854,363)	\$ (856,884)	\$ (860,452)	\$ (862,365)	\$ (861,081)	\$ (861,257)	\$ (861,900)	\$ (853,900)	\$ (853,900)	\$ (853,900)																																																												
17	565 Transmission Expense	\$ 13,307,162	\$ 1,132,836	\$ 1,106,210	\$ 1,097,845	\$ 1,084,823	\$ 1,086,602	\$ 1,107,276	\$ 1,095,400	\$ 1,091,132	\$ 1,164,092	\$ 1,117,299	\$ 6,500	\$ 6,500																																																												
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	\$ 6,500	\$ 6,500																																																												
19	565 Compliance Filing	\$ (84,000)	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-																																																												
20	Authorized Net Expense	\$39,891,378	\$16,598,741	\$10,324,281	\$3,866,759	\$1,511,676	\$2,426,035	\$3,006,140	\$ (49,000)	\$ (7,000)	\$ (7,000)	\$ (7,000)	\$ (7,000)	\$ (7,000)																																																												
21	Actual - Authorized Net Expense	\$(5,564,805)	\$ (5,454,589)	\$ (4,108,799)	\$ (4,564,007)	\$ (3,104,579)	\$ 1,431,411	\$ 11,131,693	\$-	\$-	\$-	\$-	\$-	\$-																																																												
22	Net Fuel Expense not incl in Acct 547	\$ 1,926,710	\$ 1,729,085	\$ 766,402	\$ 1,024,018	\$ (277,505)	\$ 5,164	\$ (7,197)	\$ (1,313,257)	\$-	\$-	\$-	\$-	\$-																																																												
23	Adjusted Actual - Authorized Net Exp	\$ (3,638,095)	\$ (3,725,504)	\$ (2,933,383)	\$ (4,841,512)	\$ (3,099,415)	\$ 1,424,214	\$ 9,818,436	\$-	\$-	\$-	\$-	\$-	\$-																																																												
24	Washington Alloc. @ 65.16%	\$(2,370,582)	\$(84,404)	\$(2,010,043)	\$(3,154,729)	\$(2,019,579)	\$928,018	\$6,397,693	\$-	\$-	\$-	\$-	\$-	\$-																																																												
25	Enron Contract Buyout 100%	\$227,948	\$32,563	\$32,563	\$32,563	\$32,563	\$32,563	\$32,563	\$32,563	\$32,563	\$32,563	\$32,563	\$32,563	\$32,563																																																												
26	WA Retail Revenue Adjustment	\$(5,313,806)	\$(414,475)	\$645,853	\$30,672	\$(963,401)	\$(1,806,533)	\$(1,943,966)	\$-	\$-	\$-	\$-	\$-	\$-																																																												
27	Net Power Cost Increase (Decrease)	\$(7,456,440)	\$(2,809,450)	\$594,012	\$(2,939,436)	\$(3,091,494)	\$(2,850,417)	\$(845,952)	\$4,486,297	\$-	\$-	\$-	\$-	\$-																																																												
28	Cumulative Balance	\$(2,809,450)	\$(2,215,438)	\$(5,154,874)	\$(8,246,368)	\$(11,096,765)	\$(11,942,737)	\$(7,456,440)	\$-	\$-	\$-	\$-	\$-	\$-																																																												
<b>Balance by Deadband Band</b>																																																																										
<table border="1"> <thead> <tr> <th>Deferral %</th> <th>100%</th> <th>90%</th> <th>80%</th> <th>70%</th> <th>60%</th> <th>50%</th> <th>40%</th> <th>30%</th> <th>20%</th> <th>10%</th> <th>0%</th> </tr> </thead> <tbody> <tr> <td>Input</td> <td>10,000,000</td> <td>10,000,000</td> <td>10,000,000</td> <td>10,000,000</td> <td>10,000,000</td> <td>10,000,000</td> <td>10,000,000</td> <td>10,000,000</td> <td>10,000,000</td> <td>10,000,000</td> <td>10,000,000</td> </tr> <tr> <td>Output</td> <td>4,900,000</td> <td>4,900,000</td> <td>4,900,000</td> <td>4,900,000</td> <td>4,900,000</td> <td>4,900,000</td> <td>4,900,000</td> <td>4,900,000</td> <td>4,900,000</td> <td>4,900,000</td> <td>4,900,000</td> </tr> <tr> <td>Input</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Output</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> </tbody> </table>															Deferral %	100%	90%	80%	70%	60%	50%	40%	30%	20%	10%	0%	Input	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	Output	4,900,000	4,900,000	4,900,000	4,900,000	4,900,000	4,900,000	4,900,000	4,900,000	4,900,000	4,900,000	4,900,000	Input	0	0	0	0	0	0	0	0	0	0	0	Output	0	0	0	0	0	0	0	0	0	0	0
Deferral %	100%	90%	80%	70%	60%	50%	40%	30%	20%	10%	0%																																																															
Input	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000																																																															
Output	4,900,000	4,900,000	4,900,000	4,900,000	4,900,000	4,900,000	4,900,000	4,900,000	4,900,000	4,900,000	4,900,000																																																															
Input	0	0	0	0	0	0	0	0	0	0	0																																																															
Output	0	0	0	0	0	0	0	0	0	0	0																																																															
check # should be zero																																																																										
<b>Deferral Amount, Cumulative</b>																																																																										
<b>Deferral Amount, Monthly</b>																																																																										
<b>Account 557 for Budget</b>																																																																										
<b>Company Band Gross Margin Impact, Cumulative</b>																																																																										

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
<b>555 PURCHASED POWER</b>													
1	11,111,543	9,184,537	15,446,671	6,616,895	6,684,474	8,207,670	16,342,120						73,593,910
2	130,200	117,600	130,200	125,825	130,200	126,000	130,200						890,225
3	71,982	56,106	54,061	26,813	12,553	60,659	109,767						391,941
4	489,969	448,812	439,976	503,114	575,131	654,605	758,763						3,870,370
5	111,460	83,146	83,143	151,994	133,323	444,931	123,118						1,131,115
6	303,287	303,287	303,287	(242,877)	303,287	303,287	303,287						1,576,845
7	120,206	109,038	86,702	109,038	109,038	109,038	109,038						752,098
8		0											
9	677	479	548		492	452	398						3,500
10	152,947	116,699	110,219	117,174	95,742	114,073	98,539						805,393
11	384,035	337,964	316,463	230,988	239,501	258,750	35,915						1,803,616
12	2,877,241	2,599,868	1,420,490	1,375,751									8,273,350
13	257,874	482,126	494,682	52,149	(62,610)	(38,666)	29,556						1,215,111
14	567,300	512,400	567,300	548,238	567,300	549,000	567,300						3,878,838
15	1,041,600	940,800	1,041,600	1,006,600	1,041,600	1,008,000	1,041,600						7,121,800
16	590,550	533,400	590,550	570,706	590,550	571,500	590,550						4,037,806
17	118,405	106,152	128,634	96,021	88,064	102,674	127,252						767,202
18	1,854,831	1,648,428	1,861,698	1,504,346	1,938,096	1,089,696	1,089,514						11,896,609
19	26,300	54,450	131,500	131,500	131,500	157,800	157,800						790,850
20	379,106	212,023	246,879	209,873	228,635	230,489	263,479						1,792,336
21													
22	50,043	63,329	51,222	11,266	21,930	23,840	55,850						112,886
23													
24	20,639,556	17,910,644	23,505,825	13,191,911	12,879,532	14,111,451	23,185,412	0					125,075,014
<b>447 SALES FOR RESALE</b>													
25	13,490,234	14,944,085	25,803,958	14,157,413	17,219,988	16,256,574	17,424,159						119,296,411
26	150,000	150,000	150,000	150,000	150,000	150,000	150,000						1,050,000
27	7,303	6,003	6,663	6,108	6,379	6,583	47,026						86,065
28	35,558	28,319	42,447	32,743	30,968	30,479	28,413						228,927
29	228,144	201,496	204,988	87,402	96,119	132,008	300,236						1,250,393
30	(4,095)	(3,961)	(4,709)	(5,094)	(12,200)	(4,084)	(4,915)						(39,058)
31	177,878	174,069	163,425	132,108	160,260	229,638	432,414						1,469,792
32													
33	50,043	63,329	50,922	46,043	50,726	93,851	211,969						305,820
34	14,135,065	15,563,340	26,417,894	14,606,723	17,702,240	16,945,256	18,645,337						367,305
													124,015,655

(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

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
<b>501 FUEL-DOLLARS</b>													
35													
	wood	936,228	1,039,143	856,427	409,137	569,155	244,930	848,045					4,903,065
36	coal	1,107,263	1,296,087	1,216,168	995,417	637,577	702,453	1,260,002					7,214,967
37	Total Coal & Wood	2,043,491	2,335,230	2,072,595	1,404,554	1,206,732	947,383	2,108,047					12,118,032
38	gas	22,775	(1,493)	313	661	(976)	4,386	25,156					50,822
39	oil	148	12,530	14,208	12,780	13,052	2,728	102,541					157,987
40	Total Oil & Gas	22,923	11,037	14,521	13,441	12,076	7,114	127,697					208,809
41	Total Account 501	2,066,414	2,346,267	2,087,116	1,417,995	1,218,808	954,497	2,235,744					12,326,841
<b>501 FUEL-TONS</b>													
42	Kettle Falls	47,240	46,168	46,217	25,253	39,169	13,988	48,300					266,335
43	Colstrip	91,999	85,433	94,722	77,639	55,753	49,165	87,718					542,429
<b>501 FUEL-COST PER TON</b>													
44	wood	\$ 19.82	\$ 22.51	\$ 18.53	\$ 16.20	\$ 14.53	\$ 17.51	\$ 17.56					\$ 18.41
45	coal	\$ 12.04	\$ 15.17	\$ 12.84	\$ 12.82	\$ 11.44	\$ 14.29	\$ 14.36					\$ 13.30
<b>547 FUEL</b>													
46	NE Combustion Turbine Gas/Oil	102	(77)	17	(178)	399	36	131,578					131,877
47	Boulder Park	(2,708)	7,246	1,505	4,296	88,837	82,910	287,029					469,115
48	Kettle Falls CT	3,153	13,263	(76)	3,779	502	1,065	6,107					27,793
49	Coyote Springs2	4,078,827	6,042,794	8,679,738	560,356	832,793	2,204,212	7,923,906					30,322,626
50	Raindrum Fuel Exp	2,466	401	886	(1,453)	117,026	228,239	993,600					1,341,165
51	Total Account 547	4,081,840	6,063,627	8,682,070	566,800	1,039,557	2,516,462	9,342,220					32,292,576
52	TOTAL NET EXPENSE	12,652,745	10,757,198	7,857,317	569,983	(2,564,343)	637,154	16,118,039					45,678,776

AVISTA UTILITIES  
 Washington Electric Jurisdiction  
 Energy Recovery Mechanism Revenue Credit  
 Month of July 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	418,611,569						3,106,880,337
Deduct Prior Month Unbilled kWhs Heating	(355,532,846)	(333,551,203)	(299,669,681)	(293,686,289)	(294,319,437)	(293,057,121)	(286,171,989)	(299,064,904)					(2,455,053,170)
Deduct Prior Month Unbilled kWhs Cooling						(1,199,563)	(2,526,969)	(7,841,740)					(11,568,272)
Add Current Month Unbilled kWhs Heating	333,551,203	299,669,681	293,686,289	294,319,437	293,057,121	286,171,989	299,064,904						2,099,520,624
Add Current Month Unbilled kWhs Cooling					1,199,563	2,526,969	7,841,740						11,568,272
Washington Retail kWhs	492,005,759	450,079,300	464,109,426	413,423,264	401,229,384	400,588,047	436,819,255	(305,906,644)					2,751,347,791
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	46,072,797	49,588,881						134,734,621
WA Retail Revenue Credit (2)	\$406,713	(\$653,615)	\$954,259	(\$37,893)	\$655,553	\$1,798,221	\$1,935,454	\$0	\$0	\$0	\$0	\$0	\$5,258,692
Net Wind Revenue Credit	\$7,762	\$7,762	\$7,697	\$7,221	\$7,848	\$8,312	\$8,512	\$0	\$0	\$0	\$0	\$0	\$55,114
Total Revenue Credit	\$414,475	(\$645,853)	\$961,956	(\$30,672)	\$663,401	\$1,806,533	\$1,943,966	\$0	\$0	\$0	\$0	\$0	\$5,313,806

(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	\$11,740.59	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$76,018.61
Deduct Admin Expense	\$2,944.36	\$2,944.32	\$2,919.37	\$2,739.02	\$2,976.66	\$3,152.74	\$3,228.66	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$20,905.12
0.005 x 55 = 0.275 per Revenue \$	\$7,762.39	\$7,762.29	\$7,696.52	\$7,221.04	\$7,847.56	\$8,311.76	\$8,511.93	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$55,113.49
Net Wind Revenue Credit													

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 Agreear	\$414,475	\$801,147
		(\$30,672)
		\$863,401
		\$110,967



**Avista Corporation Journal Entry**

Effective Date: 200607

Journal: 485-ECB AMORT

Team: Resource Accounting

Type: C

Category: DJ

Last Saved by: Lori Hamilton

Last Saved: 07/28/2006 3:56 PM

Submitted by: Lori Hamilton

Seq.	FERC	Ser.	Jur.	S.L.	Debit	Credit	Comment
10	557162 - ENRON CONTRACT BUYOUT	ED	WA	DL	29,313.00		Amortization expense
20	182360 - REGULATORY ASSET ENRON CONTRACT	ED	WA	DL		29,313.00	Amortization for WA ERM
30	182360 - REGULATORY ASSET ENRON CONTRACT	ED	WA	DL	710.00		Accrue interest on unamortized balance for future recovery
40	419000 - INTEREST AND DIVIDEND INCOME	ZZ	ZZ	DL		710.00	Interest income accrued
50	410100 - PRV DFIT DR	ED	WA	DL		10,260.00	DFIT expense on amortization (operating)
60	410200 - DFIT EXP-NONOPER (DR)	ZZ	ZZ	DL	249.00		DFIT expense on interest (non-operating)
70	283360 - ADFIT ENRON CONTRACT BUYOUT	ED	WA	DL	10,011.00		ADFIT ECB
<b>TOTALS:</b>					<b>40,283.00</b>	<b>40,283.00</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.

*L. Hamilton*  
 Prepared by Lori Hamilton  
 Date: 8/1/06

*Jami Gudge*  
 Reviewed by  
 Date: 8/1/06

Approved for Entry  
 Corporate Accounting use Only  
 Date



Avista Corporation  
 Enron Contract Buyout  
 Amortization Schedule  
July 2006 - December 2006

Weighted cost of debt at 6/30/06 is 8.253%.

		<u>90%</u>	<u>100%</u>
Uniform Monthly Amortization		-\$29,313	-\$32,570
Balance	6/30/2006	\$173,548	
Amortization	Jul-06	-29,313	
Net of amortization		<u>144,235</u>	
Average balance		158,892	
Interest (net of tax)	0.0044704	<u>710</u>	
Balance	7/31/2006	\$144,945	
Amortization	Aug-06	-29,313	
Net of amortization		<u>115,632</u>	
Average balance		130,289	
Interest (net of tax)	0.0044704	<u>582</u>	
Balance	8/31/2006	\$116,214	
Amortization	Sep-06	-29,313	
Net of amortization		<u>86,901</u>	
Average balance		101,558	
Interest (net of tax)	0.0044704	<u>454</u>	
Balance	9/30/2006	\$87,355	
Amortization	Oct-06	-29,313	
Net of amortization		<u>58,042</u>	
Average balance		72,699	
Interest (net of tax)	0.0044704	<u>325</u>	
Balance	10/31/2006	\$58,367	
Amortization	Nov-06	-29,313	
Net of amortization		<u>29,054</u>	
Average balance		43,711	
Interest (net of tax)	0.0044704	<u>195</u>	
Balance	11/30/2006	\$29,249	
Amortization	Dec-06	-29,313	
Net of amortization		<u>-64</u>	
Average balance		14,593	
Interest (net of tax)	0.0044704	<u>64</u>	
Balance	12/31/2006	\$0	

AVISTA JRP.

Total Debt Capital as of June 30, 2006

Line No.	Rating S&P, M, Fitch	Coupon Rate	Maturity Date	Settlement Date	Principal Amount	Issuance Costs	Loss/Reaq Expenses	Net Proceeds	Yield to Maturity	Principal Outstanding 6/30/2006	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					373,693						1
2	Series Costs		8/31/2010	5/1/1993							21,663	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	336,998	3
4							690,464				40,616	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	696,614	5
6							1,380,928				92,062	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	702,642	7
8							1,380,929				92,062	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	507,064	9
10	BBB-, Baa3, BBB-	7.37%	5/10/2012	5/10/1993	7,000,000	47,250	1,664	6,950,886	7.440%	7,000,000	520,769	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	64,625	11
12	BBB-, Baa3, BBB-	7.45%	6/11/2018	6/9/1993	15,500,000	116,250	4,347	15,329,403	7.548%	15,500,000	522,129	12
13							2,140,440				83,246	13
14	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	1,170,012	14
15							963,011				85,618	15
16	BBB-, Baa3, BBB-	7.54%	5/5/2023	5/7/1993	1,000,000	7,500	226	992,274	7.606%	1,000,000	32,100	16
17							175,412				76,057	17
18	BBB-, Baa3, BBB-	7.90%	8/25/2006	8/25/1994	4,000,000	25,000	4,176	3,970,824	7.996%	4,000,000	8,882	18
19							534,070				319,826	19
20	BBB-, Baa3, BBB-	7.26%	4/30/2015	1/21/2005	5,000,000						52,104	20
21							396,981				38,730	21
22	BBB-, Baa3, BBB-	7.30%	4/30/2015	1/21/2005	1,000,000						11,964	22
23							122,626				5,893,564	23
24								71,416,540	8.166%	72,000,000		24
Total Secured Medium Term Notes - Series A												
SECURED MEDIUM TERM NOTES, SERIES B (A FORM OF FIRST MORTGAGE BOND) Ratings S&P BBB-, Moody's Baa3, Fitch BBB-												
25	RATINGS					329,022						25
26	Series Costs		5/1/2009	5/1/1994							21,935	26
27	BBB-, Baa3, BBB-	6.90%	7/1/2010	6/9/1995	5,000,000	33,750	4,194	4,962,056	6.982%	5,000,000	349,077	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	2,073,186	28
29							30,000				2,500	29
30								30,795,745	7.893%	31,000,000	2,446,698	30
Total Secured Medium Term Notes - Series B												
7.75% SECURED NOTES (A FORM OF FIRST MORTGAGE BOND) Ratings S&P BBB-, Moody's Baa3, Fitch BBB-												
31	RATINGS					1,875,000						31
32	BBB-, Baa3, BBB-	7.75%	1/1/2007	12/19/2001	150,000,000	1,875,000	1,159,351	146,965,649	8.248%	150,000,000	12,371,982	32
33							5,548,458				1,091,500	33
34								146,965,649	8.976%	150,000,000	13,463,482	34
35	RATINGS					292,500						35
36	BBB-, Baa3, BBB-	6.125%	9/1/2013	9/8/2003	45,000,000	292,500	636,913	44,068,587	6.409%	45,000,000	2,883,906	36
37							815,824				81,582	37
38								44,068,587	6.590%	45,000,000	2,965,488	38
39												39
40	RATINGS					675,000						40
41	BBB-, Baa3, BBB-	5.450%	12/1/2019	11/18/2004	90,000,000	675,000	616,552	88,706,448	5.592%	90,000,000	5,033,114	41
42											0	42
43								88,706,448	5.592%	90,000,000	5,033,114	43
44												44
45	RATINGS					1,312,500						45
46	BBB-, Baa3, BBB-	6.250%	12/1/2005	11/17/2005	150,000,000	1,312,500	495,212	148,192,288	6.340%	150,000,000	9,509,976	46
47								148,192,288	6.340%	150,000,000	9,509,976	47
48												48
49								530,145,257	7.307%	538,000,000	39,312,323	49
50												50
TOTAL DEBT SECURED BY MORTGAGE												

AVISTA CORP.

Total Debt Capital as of June 30, 2006

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 6/30/2006	Effective Cost	Line No.
51	RATINGS	\$350 MILLION SHELF	7/30/2015	11/30/2004			142,372					51
52	Series Costs										13,042	52
53											13,042	53
54										0		54
55	RATINGS	SWAP/STRATEGY										55
56			6/1/2008		25,000,000		-1,502,769				-261,351	56
57	6.250%		12/1/2035	11/17/2005	50,000,000		-4,445,000				-148,167	57
58			6/1/2018	11/30/2004	75,000,000		83,958				6,181	58
59			1/1/2014	11/30/2004	75,000,000		55,902				6,098	59
60	RATINGS	CONVERTIBLE DEBT										60
61			3/1/2015	1/1/2006			247,406				26,990	61
62										0	26,990	62
63												63
64												64
65												65
66												66
67												67
68	RATINGS	POLLUTION CONTROL BONDS										68
69	6.00%		12/1/2023	7/1/1993	4,100,000	30,750	243,525	3,825,725	6.507%	4,100,000	266,795	69
70			12/31/2023	12/31/2002			4,452				212	70
71	Insurance		10/1/2006	10/1/2005							97,185	71
72	AAA, Aaa	5.00%	10/1/2032	9/1/1999	66,700,000		7,356,507	59,343,493	5.749%	66,700,000	3,834,268	72
73	AAA, Aaa	5.125%	3/1/2034	9/1/1999	17,000,000		2,124,593	14,875,407	5.986%	17,000,000	1,017,541	73
74								78,044,625	5.941%	87,800,000	5,218,001	74
75												75
76	RATINGS	MEDIUM TERM NOTES, SERIES A, Ratings S&P BB+, Moody's Ba1, Fitch BB+										76
77	BB+, Ba1, BB+	7.94%	1/22/2007	1/22/1992	3,000,000	20,250	309	2,979,441	8.019%	3,000,000	240,581	77
78							99,942				6,623	78
79								2,979,441	8.240%	3,000,000	247,203	79
80												80
81	RATINGS	MEDIUM TERM NOTES, SERIES B, Ratings S&P BB+, Moody's Ba1, Fitch BB+										81
82	Series Costs		6/30/2008	4/1/1991								82
83	BB+, Ba1, BB+	7.90%	1/22/2007	1/22/1992	9,000,000	60,750	1,297	8,937,953	7.980%	9,000,000	16,112	83
84							298,027				718,168	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

