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May 6, 2011

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

Dear Mr. Danner:

RE: UG-090135/UG-060518
Natural Gas Decoupling Mechanism
Quarterly Report

Attached for filing with the Commission is an electronic copy of the Natural Gas Decoupling Mechanism Quarterly Report.

The report consists of a spreadsheet showing the monthly revenue deferral calculation for the period January 2011 through March 2011.

Also included in the report are the monthly general ledger balances resulting from the deferral and amortization activity during the fourth quarter of 2011.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick Ehrbar", with a long horizontal line extending to the right.

Patrick Ehrbar
Manager, Rates and Tariffs
Enc.

Avista Corporation Natural Gas Decoupling Mechanism
Washington Jurisdiction
Quarterly Report for 1st Quarter 2011

AVISTA UTILITIES
Washington - Gas

Approved Decoupling Mechanism per Order No. 10 Docket No. UG-090135
July through November 2010 compared to 12 ME September 2008 Test Year - UG-090135 rates
December 2010 through June 2011 compared to 12 ME December 2009 Test Year - UG-100468 rates
Adjusted for Actual New Customer Usage and Schedule Shifting
Period July 2010 - June 2011

	2010 July	2010 August	2010 September	2010 October	2010 November	2010 December	2011 January	2011 February	2011 March	2011 April	2011 May	2011 June	Period to Date Total
12 Months Ended June 2011 Actual Schedule 101													
Schedule 101 Billed Therms	3,313,811	2,388,155	2,436,473	3,588,712	8,096,570	18,685,652	20,587,656	18,101,774	17,689,122				94,887,925
Deduct New Customer Usage(1)	(79,496)	(50,724)	(49,513)	(129,126)	(296,150)	(196,517)	(464,287)	(402,016)	(377,617)				(2,045,446)
Schedule Shifting Adjustment (2)	9,435	15,624	20,369	38,447	76,828	68,912	154,796	123,637	46,311				554,359
Deduct Prior Month Unbilled Therms	(2,290,886)	(1,475,600)	(1,470,836)	(2,167,427)	(6,369,870)	(12,632,762)	(14,149,481)	(13,995,304)	(14,216,031)	(10,488,247)			(79,256,444)
Add Current Month Unbilled Therms	1,475,600	1,470,836	2,167,427	6,369,870	13,112,916	14,149,481	13,995,304	14,216,031	10,488,247				77,445,712
Add Weather Adjustment	-	-	-	911,825	(651,522)	989,755	274,705	(1,502,652)	(226,043)				(203,932)
Weather Adj Calendar Therms	2,428,464	2,348,291	3,103,920	8,612,301	13,968,772	21,064,521	20,398,693	16,541,470	13,403,989	(10,488,247)			91,382,174
Weather Adj Calendar Therms	2,428,464	2,348,291	3,103,920	8,612,301	13,968,772	21,064,521	20,398,693	16,541,470	13,403,989	(10,488,247)			91,382,174
Less Test Year Therms	2,287,103	2,287,617	3,079,647	8,101,726	13,914,616	21,404,351	21,165,181	16,641,322	14,487,057	8,175,548	5,149,629	3,543,438	120,237,234
Therm Difference	141,361	60,674	24,273	510,575	54,156	(339,830)	(766,488)	(99,852)	(1,083,068)				(1,488,198)
Times Current Margin Rate per Therm	0.24216	0.24216	0.24216	0.24216	0.24216	0.27088	0.27088	0.27088	0.27088	0.27088	0.27088	0.27088	0.27088
Revenue Excess (Shortfall)	\$34,232	\$14,693	\$5,878	\$123,641	\$13,114	(\$92,053)	(\$207,625)	(\$27,048)	(\$293,380)	\$0	\$0	\$0	(\$428,547)
45% Limitation	45%	45%	45%	45%	45%	45%	45%	45%	45%	45%	45%	45%	45%
Deferred Revenue Account Entry	\$15,404	\$6,612	\$2,645	\$55,638	\$5,901	(\$41,424)	(\$93,431)	(\$12,171)	(\$132,021)	\$0	\$0	\$0	(\$192,847)
407328 or (407428)													

(1) Per monthly reports - current month usage for new services opened since that month of the test year.

(2) The schedule shifting adjustment adds back test year usage of customers that have shifted away from Schedule 101 and deducts the current month usage of customers that were on a different schedule during the test year and have shifted to

Avista Corporation Natural Gas Decoupling Mechanism

Washington Jurisdiction

Quarterly Report for 1st Quarter 2011

**2009 Test Year Factors, 2010 -2011 Actual Weather and Unbilled
12 Months Ended December 2009 Monthly Data**

Weather Normalization		Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-10	Total
Normal Degree Days (30 Year Average 1980 - 2009)		1,120	913	776	542	323	143	35	34	185	540	889	1,157	6,657
Actual Degree Days		1,103	1,006	790	542	323	143	35	34	185	540	889	1,096	6,686
Degree Day Adjustment (1,7)		17	(93)	(14)	-	-	-	-	-	-	-	-	61	(29)
	Monthly													
Res 101	Use/DD/Cust(7)	0.1002	0.1002	0.1002	0.0877	0.0877	0.0877	0.0000	0.0000	0.0000	0.0877	0.0877	0.1002	
Com 101	Use/DD/Cust(7)	0.2467	0.2467	0.2467	0.1670	0.1670	0.1670	0.0000	0.0000	0.0000	0.1670	0.1670	0.2467	
Ind 101	Use/DD/Cust(7)	0.4266	0.4266	0.4266	0.2961	0.2961	0.2961	0.0000	0.0000	0.0000	0.2961	0.2961	0.4266	
Sch. 101														
Res 101		224,547	(1,228,341)	(184,819)	-	-	-	-	-	-	-	-	809,310	(379,303)
Com 101		49,534	(270,820)	(40,710)	-	-	-	-	-	-	-	-	178,207	(83,789)
Ind 101		624	(3,491)	(514)	-	-	-	-	-	-	-	-	2,238	(1,143)
Total 101		274,705	(1,502,652)	(226,043)	-	-	-	-	-	-	-	-	989,755	(464,235)

Revenue Run Customers (Meters Billed)

Class	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Annual Total
Residential 101	131,823	131,816	131,750	131,579	131,420	131,217	131,144	131,208	131,483	131,710	132,145	132,409	1,579,704
Commercial 101	11,811	11,804	11,787	11,774	11,768	11,773	11,757	11,776	11,805	11,808	11,866	11,842	141,571
Industrial 101	86	88	86	83	85	85	85	86	87	86	83	86	1,026
Interdepartmental 101	27	26	26	26	26	26	26	26	26	26	26	26	313
Total	143,747	143,734	143,649	143,462	143,299	143,101	143,012	143,086	143,401	143,630	144,120	144,363	1,722,614

Monthly Unbilled Calculation

	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11
Unbilled Sch 101 per Books								
Rev Run Customers (Meters Billed)	12,739,525	14,293,952	14,203,169	14,414,731	10,637,340			
Average Unbilled per Customer	87.65	98.01	97.36	98.91	73.01	1	1	1
Test Year Customer Current Unbilled	12,632,762	14,149,481	13,995,304	14,216,031	10,488,247			

Avista Corporation Natural Gas Decoupling Mechanism
Washington Jurisdiction
Quarterly Report for 1st Quarter 2011
Balance Sheet Accounts

GL Account Balance Accounting Period : '201101, 201102, 201103'

Ferc Acct Desc:REG ASSET-DECOUPLING DEFERRED Service:GD Jurisdiction:WA Acct:186328			
Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
201101	-44,776.00	93,431.00	48,655.00
201102	48,655.00	12,171.00	60,826.00
201103	60,826.00	132,021.00	192,847.00
Sum:			237,623.00

GL Account Balance Accounting Period : '201101, 201102, 201103'

Ferc Acct Desc:REG ASSET- DECOUPLING SURCHARG Service:GD Jurisdiction:WA Acct:182328			
Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
201101	471,658.53	-97,103.35	374,555.18
201102	374,555.18	-84,991.44	289,563.74
201103	289,563.74	-64,550.14	225,013.60
Sum:			-246,644.93

GL Account Balance Accounting Period : '201101, 201102, 201103'

Ferc Acct Desc:REG ASSET- DECOUPLING PRIOR YE Service:GD Jurisdiction:WA Acct:182329			
Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
201101	0.00	0.00	0.00
201102	0.00	0.00	0.00
201103	0.00	0.00	0.00
Sum:			0.00

GL Account Balance Accounting Period : '201101, 201102, 201103'

Ferc Acct Desc:ADFIT DECOUPLING DEFERRED REV Service:GD Jurisdiction:WA Acct:283328			
Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
201101	-149,408.94	1,285.32	-148,123.62
201102	-148,123.62	25,487.15	-122,636.47
201103	-122,636.47	-23,614.80	-146,251.27
Sum:			3,157.67

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Income Statement Accounts

GL Account Balance Accounting Period : '201101, 201102, 201103'

Ferc Acct Desc:REG CREDIT DECOUPLING DEF REV Service:GD Jurisdiction:WA Acct:407428				
Accounting Period	Beginning Balance	Monthly Activity	Ending Balance	
201101	0.00	-93,431.00	-93,431.00	
201102	-93,431.00	-12,171.00	-105,602.00	
201103	-105,602.00	-132,021.00	-237,623.00	
Sum: -237,623.00				

GL Account Balance Accounting Period : '201101, 201102, 201103'

Ferc Acct Desc:REG DEBIT DECOUPLING DEF REV Service:GD Jurisdiction:WA Acct:407328				
Accounting Period	Beginning Balance	Monthly Activity	Ending Balance	
201101	0.00	0.00	0.00	
201102	0.00	0.00	0.00	
201103	0.00	0.00	0.00	
Sum: 0.00				

GL Account Balance Accounting Period : '201101, 201102, 201103'

Ferc Acct Desc:REG DEBIT AMT DECOUPLING SURCH Service:GD Jurisdiction:WA Acct:407329				
Accounting Period	Beginning Balance	Monthly Activity	Ending Balance	
201101	0.00	98,239.51	98,239.51	
201102	98,239.51	85,889.55	184,129.06	
201103	184,129.06	65,246.02	249,375.08	
Sum: 249,375.08				