

Avista Corp.  
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May 1, 2012

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 2012 through March 2012.

Also included in the report are the monthly general ledger balances resulting from the deferral and amortization activity during the first quarter of 2012.

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 2012

AVISTA UTILITIES  
Washington - Gas  
Approved Decoupling Mechanism per Order No. 10 Docket No. UG-090135  
July 2011 through December 2011 compared to 12 ME December 2009 Test Year - UG-100468 rates  
January 2012 through June 2012 compared to 12 ME December 2010 Test Year - UG-110877 rates  
Adjusted for Actual New Customer Usage and Schedule Shifting  
Period July 2011 - June 2012

	2011 July	2011 August	2011 September	2011 October	2011 November	2011 December	2012 January	2012 February	2012 March	2012 April	2012 May	2012 June	Period to Date Total
<b>12 Months Ended June 2012 Actual</b>													
Schedule 101	2,994,883	2,297,477	2,203,697	3,443,780	9,785,451	17,742,907	19,159,880	18,497,044	16,479,012				92,604,131
Schedule 101 Billed Therms	(49,759)	(34,107)	(30,476)	(54,227)	(177,501)	(344,503)	(391,409)	(374,597)	(313,338)				(1,769,917)
Deduct New Customer Usage(1)	26,551	32,412	35,901	57,052	97,309	138,807	173,989	106,583	88,555				757,159
Schedule Shifting Adjustment (2)	(2,686,086)	(1,938,225)	(1,753,255)	(2,017,341)	(5,387,066)	(11,014,159)	(13,692,992)	(14,146,354)	(12,498,564)	(10,065,833)			(52,635,478)
Deduct Prior Month Unbilled Therms	1,938,225	1,753,255	2,017,341	5,387,066	11,014,159	13,692,992	14,146,354	12,498,564	10,065,833				72,513,789
Add Current Month Unbilled Therms	-	-	-	325,160	(13,596)	632,794	465,034	(378,738)	(602,381)				428,273
Add Weather Adjustment	2,223,814	2,110,812	2,473,208	7,141,490	15,318,756	20,848,838	19,860,856	16,202,502	13,219,117	(10,065,833)			111,897,957
Weather Adj Calendar Therms	2,223,814	2,110,812	2,473,208	7,141,490	15,318,756	20,848,838	19,860,856	16,202,502	13,219,117	(10,065,833)			86,180,276
Weather Adj Calendar Therms	2,139,181	2,250,396	2,694,230	7,654,861	13,811,030	21,404,351	20,646,199	16,093,346	12,720,921	9,227,091	4,357,280	2,772,711	86,693,594
Less Test Year Therms	84,633	(139,584)	(221,022)	(513,371)	1,507,726	(555,513)	(785,343)	109,156	498,196				(15,122)
Therm Difference	0.27088	0.27088	0.27088	0.27088	0.27088	0.27088	0.29592	0.29592	0.29592	0.29592	0.29592	0.29592	0.29592
Times Current Margin Rate per Therm	\$22,925	(\$37,810)	(\$59,870)	(\$139,061)	\$408,410	(\$150,476)	(\$232,396)	\$32,301	\$147,425	\$0	\$0	\$0	(\$8,553)
Revenue Excess (Shortfall)	45%	45%	45%	45%	45%	45%	45%	45%	45%	45%	45%	45%	45%
45% Limitation	\$10,316	(\$17,015)	(\$26,942)	(\$62,578)	\$183,785	(\$67,714)	(\$104,578)	\$14,535	\$66,341	\$0	\$0	\$0	(\$3,850)
Deferred Revenue Account Entry													
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 Schedule 101.

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**2010 Test Year Factors, 2011 - 2012 Actual Weather and Unbilled  
12 Months Ended December 2010 Test Year Monthly Data**

	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Total
<b>Weather Normalization</b>													
Normal Degree Days (30 Year Average 1981 - 201	1,105	908	774	547	327	142	35	34	185	548	882	1,168	6,655
Actual Degree Days	1,078	930	809	547	327	142	35	34	185	548	882	1,168	6,685
Degree Day Adjustment	27	(22)	(35)	-	-	-	-	-	-	-	-	-	(30)
<b>Monthly</b>													
Use/DD/Cust	0.1066	0.1066	0.1066	0.0965	0.0965	0.0965	0.0000	0.0000	0.0000	0.0965	0.0965	0.1066	
Com 101	0.2569	0.2569	0.2569	0.2302	0.2302	0.2302	0.0000	0.0000	0.0000	0.2302	0.2302	0.2569	
Ind 101	0.4329	0.4329	0.4329	0.3512	0.3512	0.3512	0.0000	0.0000	0.0000	0.3512	0.3512	0.4329	
<b>Sch. 101</b>													
Res 101	381,505	(310,694)	(494,178)	-	-	-	-	-	-	-	-	-	(423,367)
Com 101	82,500	(67,234)	(106,945)	-	-	-	-	-	-	-	-	-	(91,679)
Ind 101	1,029	(810)	(1,258)	-	-	-	-	-	-	-	-	-	(1,039)
Total 101	465,034	(378,738)	(602,381)	-	-	-	-	-	-	-	-	-	(516,085)

**Test Year Revenue Run Customers (Meters Billed)**

Class	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Annual Total
Residential 101	132,550	132,481	132,452	132,351	132,227	132,132	132,233	132,638	132,775	132,964	133,302	133,761	1,591,886
Commercial 101	11,894	11,896	11,894	11,927	11,895	11,899	11,900	11,900	11,901	11,881	11,924	11,965	142,876
Industrial 101	88	85	83	85	83	85	84	84	85	84	84	83	1,013
Interdepartmental 101	26	27	27	27	27	27	27	27	27	27	28	28	325
Total	144,558	144,489	144,456	144,390	144,232	144,143	144,244	144,649	144,788	144,976	145,338	145,837	1,736,100

**Current Monthly Unbilled Calculation**

###	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12
Unbilled Sch 101 per Books	1	1	1	1	1	13,906,881	14,359,394	12,678,315	10,213,348	1	1	1
Rev Run Customers (Meters Billed)						146,618	146,735	146,567	146,573			
Average Unbilled per Customer						94.85	97.86	86.50	69.68			
Test Year Customer Current Unbilled						13,692,992	14,146,354	12,498,564	10,065,833			

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Washington Jurisdiction  
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**Balance Sheet Accounts**

GL Account Balance Accounting Period : '201201, 201202, 201203'

Ferc Acct Desc:REG ASSET-DECOUPLING DEFERRED Service:GD Jurisdiction:WA			
Acct:186328			
Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
201201	-19,852.00	104,578.00	84,726.00
201202	84,726.00	-14,535.00	70,191.00
201203	70,191.00	-66,341.00	3,850.00
<b>Sum:</b>			<b>23,702.00</b>

GL Account Balance Accounting Period : '201201, 201202, 201203'

Ferc Acct Desc:REG ASSET- DECOUPLING SURCHARG Service:GD Jurisdiction:WA			
Acct:182328			
Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
201201	190,281.42	-44,437.16	145,844.26
201202	145,844.26	-37,828.94	108,015.32
201203	108,015.32	-31,562.42	76,452.90
<b>Sum:</b>			<b>-113,828.52</b>

GL Account Balance Accounting Period : '201201, 201202, 201203'

Ferc Acct Desc:REG ASSET- DECOUPLING PRIOR YE Service:GD Jurisdiction:WA			
Acct:182329			
Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
201201	0.00	0.00	0.00
201202	0.00	0.00	0.00
201203	0.00	0.00	0.00
<b>Sum:</b>			<b>0.00</b>

GL Account Balance Accounting Period : '201201, 201202, 201203'

Ferc Acct Desc:ADFIT DECOUPLING DEFERRED REV Service:GD Jurisdiction:WA			
Acct:283328			
Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
201201	-59,650.36	-21,049.29	-80,699.65
201202	-80,699.65	18,327.38	-62,372.27
201203	-62,372.27	34,266.20	-28,106.07
<b>Sum:</b>			<b>31,544.29</b>

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**Income Statement Accounts**

GL Account Balance Accounting Period : '201201, 201202, 201203'

Ferc		Ferc Acct Desc:REG CREDIT DECOUPLING DEF REV	Service:GD	Jurisdiction:WA
Acct:407428				
Accounting Period	Beginning Balance	Monthly Activity	Ending Balance	
201201	0.00	-104,578.00	-104,578.00	
201202	-104,578.00	0.00	-104,578.00	
201203	-104,578.00	0.00	-104,578.00	
		<b>Sum: -104,578.00</b>		

GL Account Balance Accounting Period : '201201, 201202, 201203'

Ferc		Ferc Acct Desc:REG DEBIT DECOUPLING DEF REV	Service:GD	Jurisdiction:WA
Acct:407328				
Accounting Period	Beginning Balance	Monthly Activity	Ending Balance	
201201	0.00	0.00	0.00	
201202	0.00	14,535.00	14,535.00	
201203	14,535.00	66,341.00	80,876.00	
		<b>Sum: 80,876.00</b>		

GL Account Balance Accounting Period : '201201, 201202, 201203'

Ferc		Ferc Acct Desc:REG DEBIT AMT DECOUPLING SURCH	Service:GD	Jurisdiction:WA
Acct:407329				
Accounting Period	Beginning Balance	Monthly Activity	Ending Balance	
201201	0.00	44,520.13	44,520.13	
201202	44,520.13	38,172.24	82,692.37	
201203	82,692.37	31,811.88	114,504.25	
		<b>Sum: 114,504.25</b>		