

Avista Corp.  
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Toll Free 800-727-9170



July 13, 2007

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 2007

Dear Ms. Washburn:

Enclosed are an original and five copies of Avista Corporation's Power Cost Deferral Report for the month of June 2007. The report includes the monthly energy recovery mechanism (ERM) accounting journal together with backup workpapers. In June actual net power costs were higher than authorized costs by \$71,337. The year to date difference is \$2,399,200 in the surcharge direction, which is within the \$4,000,000 deadband.

Actual power supply expense was slightly higher than the authorized level. Hydro generation was 59 aMW below the authorized level. The average market purchase price was \$52.59/MWh and the average market sales price was \$39.77/MWh.

Coyote Springs 2 generated 75 aMW above the authorized level. Other gas fired resources generated 2aMW above the authorized level due to economics. Colstrip and Kettle Falls generated 20 aMW below and 1 aMW above the authorized levels, respectively. Net transmission expense (transmission expense less transmission revenue) was below the authorized level. Thermal fuel expense and natural gas fuel expense were both above the authorized level due to increased generation. The average price of gas for Coyote Springs 2 was \$6.47/dth. Washington retail sales were 86 aMW above the authorized level.

There were no forward long-term contracts of one year or longer entered into in the month of June 2007. If you have any questions, please contact Bill Johnson at (509) 495-4046 or Ron McKenzie at (509) 495-4320.

Sincerely,

A handwritten signature in cursive script that reads "Kelly Norwood".

Kelly Norwood  
Vice President State and Federal Regulation  
RM  
Enclosure  
C: Mary Kimball, S. Bradley Van Cleve

RECEIVED  
RECORDS MANAGEMENT  
07 JUL 16 AM 8:48  
STATE OF WASHINGTON  
UTILITY AND TRANSPORTATION  
COMMISSION

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

MONTH OF JUNE 2007

**Avista Corporation Journal Entry**

Printed 07/06/2007 12:12 pm

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

Effective Date: 200706  
 Last Saved by: Lori Hamilton  
 Submitted by: Lori Hamilton  
 Last Saved: 07/06/2007 11:27 AM

Seq.	Co.#	FERC	Seq.	Jur.	S.I.	Debit	Credit	Comment	
10	001	557290 - WA ERM AMORTIZATION	ED	WA	DL				
20	001	182350 - REGULATORY ASSET ERM APPROVED FOR	ED	WA	DL	2,245,643.00		WA ERM surcharge amortization	
30	001	557280 - DEFERRED POWER SUPPLY EXPENSE	ED	WA	DL		2,245,643.00	WA ERM authorized for recovery	
40	001	186280 - REGULATORY ASSET ERM DEFERRED	ED	WA	DL		0.00	WA ERM current month deferral	
50	001	182350 - REGULATORY ASSET ERM APPROVED FOR	ED	WA	DL	235,094.00		WA ERM current year deferral	
60	001	186280 - REGULATORY ASSET ERM DEFERRED	ED	WA	DL			Accrue interest on deferral balance authorized for recovery	
70	001	186290 - REGULATORY ASSET ERM DEFERRED LAST	ED	WA	DL			Accrue interest on current year deferral balance	
80	001	419600 - INTEREST ON ENERGY DEFERRALS	ED	WA	DL		289.00	Accrue interest on previous year deferral balance	
90	001	410100 - PRV DFIT DR	ED	WA	DL		234,805.00	Non-utility interest income	
100	001	410200 - DFIT EXP-NONOPER (DR)	ZZ	ZZ	DL		785,975.00	DFIT entry for power supply deferral and surcharge amortization	
110	001	283280 - ADFIT ERM	ED	WA	DL	82,182.00		Non-op DFIT entry for interest income	
120	001	186010 - REGULATORY ASSET ERM YTD COMPANY	ED	WA	DL	703,793.00		ADFIT WA ERM current and prior years	
130	001	186020 - REGULATORY ASSET ERM YTD CONTRA	ED	WA	DL	71,337.00		Track YTD company band accumulation	
140	001	186290 - REGULATORY ASSET ERM DEFERRED LAST	ED	WA	DL		71,337.00	Contra account for YTD company band accumulation	
150	001	182350 - REGULATORY ASSET ERM APPROVED FOR	ED	WA	DL	69,980.00		Transfer 2006 balance at 6/30/2007	
						<b>TOTALS:</b>	<b>3,408,029.00</b>	<b>3,408,029.00</b>	Transfer 2006 balance at 6/30/2007

### Avista Corporation Journal Entry

Effective Date: 200706

Journal: 481-WA ERM  
Team: Resource Accounting

Last Saved by: Lori Hamilton  
Last Saved: 07/06/2007 11:27 AM

Type: C

Submitted by: Lori Hamilton

Category: DJ

<u>L. Hamilton</u>	<u>7/6/07</u>
Prepared by Lori Hamilton	Date
<u>Sami Gudge</u>	<u>7/6/07</u>
Reviewed by	Date
<hr/>	
Approved for Entry	
Corporate Accounting use Only	
<hr/>	
Date	

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

Detail Balances (AVA CORP) - 001.186280.ED.WA.DL					
Balance Type: <b>Actual</b>			Currency Type: <b>Entered</b>		
			Factor: <b>Units</b>		
Period	Currency	PTD	PTD Converted	YTD	YTD Converted
<b>200613</b>	USD	0.00		-68,246.00	
200701	USD	68,246.00		0.00	
200702	USD	10,321.00		10,321.00	
200703	USD	-10,277.00		44.00	
200704	USD	0.00		44.00	
200705	USD	0.00		44.00	
200706	USD	0.00		44.00	

Journal Details

Summary Balances

**ERM Deferral Balance (Current Year - 2007)**

**Account 186280.ED.WA**

Balance 5/31/07

Interest

Balance 6/30/07

Year to date deferrals

Year to date interest

Balance in account

Amount

Journal ID

\$44.00

0.00

481 - WA ERM

\$44.00

\$0.00

44.00

\$44.00

Detail Balances (AVA CORP) - 001 186290.ED.WA.DL					
Balance Type		Actual		Currency Type	
				Entered	
				Factor	
				Units	
Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200613	USD	0.00		0.00	
200701	USD	68,535.00		68,535.00	
200702	USD	289.00		68,824.00	
200703	USD	289.00		69,113.00	
200704	USD	289.00		69,402.00	
200705	USD	289.00		69,691.00	
200706	USD	69,691.00		0.00	

Journal Details

Summary Balances

**ERM Deferral Balance (Prior year - 2006)**

**Account 186290.ED.WA**

	<u>Amount</u>	<u>Journal ID</u>
Balance 5/31/07	-\$69,691.00	
Interest	-289.00	481 - WA ERM
Transfer to Account 182350.ED.WA	69,980.00	481 - WA ERM
Balance 6/30/07	<u>\$0.00</u>	

Detail Balances (AWA CORP) - 001 182350.ED.WA.DL					
Balance Type		Actual		Currency Type	Entered
				Factor	Units
Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200613	USD	0.00		70,227,234.65	
200701	USD	2,979,884.00		67,247,350.65	
200702	USD	2,964,604.00		64,282,746.65	
200703	USD	2,363,152.00		61,919,594.65	
200704	USD	2,095,109.00		59,824,485.65	
200705	USD	1,904,737.00		57,919,748.65	
200706	USD	2,080,529.00		55,839,219.65	

Journal Details

Summary Balances

**Recoverable Deferral Balance**

**Account 182350.ED.WA**

	Amount	Journal ID
Balance 5/31/07	\$57,919,748.65	
Amortization	-2,245,643.00	481 - WA ERM
Interest	235,094.00	481 - WA ERM
Transfer from Account 186290.ED.WA	-69,980.00	481 - WA ERM
Balance 6/30/07	<u>\$55,839,219.65</u>	

Detail Balances (AVA CORP) - 001.186010.ED.WA.DL					
Balance Type	Actual	Currency Type	Entered	Factor	Units
Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200613	USD	0.00		2,601,664.00	
200701	USD	3,313,020.00		711,356.00	
200702	USD	3,298,943.00		4,010,299.00	
200703	USD	805,336.00		3,204,963.00	
200704	USD	750,828.00		2,454,135.00	
200705	USD	126,272.00		2,327,863.00	
200706	USD	71,337.00		2,399,200.00	

Journal Details

Summary Balances

**ERM Deadband plus Amounts Absorbed**

**Account 186010.ED.WA**

	Amount	Journal ID
Balance 5/31/07	\$2,327,863.00	
Current month entry	71,337.00	481 - WA ERM
Balance 6/30/07	<u>\$2,399,200.00</u>	

	Total	Absorbed	Deferred
First \$4,000,000 at 100%	\$2,399,200.00	\$2,399,200.00	\$0.00
\$4,000,000 to \$10,000,000 at 50%	0.00	0.00	0.00
Over \$10,000,000 at 10%	0.00	0.00	0.00
Total	<u>\$2,399,200.00</u>	<u>\$2,399,200.00</u>	<u>\$0.00</u>



Detail Balances (AVA CORP) - 001.186020.ED.WA.DL

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

Period	Currency	PTD	PTD-Converted	YTD	YTD-Converted
200613	USD	0.00		2,601,664.00	
200701	USD	3,313,020.00		711,356.00	
200702	USD	3,298,943.00		4,010,299.00	
200703	USD	805,336.00		3,204,963.00	
200704	USD	750,828.00		2,454,135.00	
200705	USD	126,272.00		2,327,863.00	
200706	USD	71,337.00		2,399,200.00	

Journal Details      Summary Balances

**ERM Deadband Contra Account**

**Account 186020.ED.WA**

Balance 5/31/07

Current month entry

Balance 6/30/07

Amount	Journal ID
-\$2,327,863.00	
-71,337.00	481 - WA ERM
<u>-\$2,399,200.00</u>	

Detail Balances (AVA CORP) - 001.283280.ED.WA.DL					
Balance Type: <b>Actual</b>			Currency Type: <b>Entered</b>		
			Factor: <b>Units</b>		
Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200613	USD	0.00		24,555,646.00	
200701	USD	1,043,061.00		23,512,585.00	
200702	USD	1,034,100.00		22,478,485.00	
200703	USD	830,801.00		21,647,684.00	
200704	USD	733,390.00		20,914,294.00	
200705	USD	666,759.00		20,247,535.00	
200706	USD	703,793.00		19,543,742.00	

Journal Details
Summary Balances

**DFIT Associated with ERM Deferrals**  
**Account 283280.ED.WA**

Account 186280.ED.WA balance	\$44.00
Account 186290.ED.WA balance	0.00
Account 182350.ED.WA balance	55,839,219.65
Total	<u>\$55,839,263.65</u>
Federal income tax rate	-35%
Deferred FIT related to deferrals	<u>-\$19,543,742</u>
Rounding	0
Balance in account	<u><u>-\$19,543,742</u></u>

<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 12/31/06 is 7.825%.				Actual cost of debt at 6/30/06 is 8.253%		
The monthly rate is:				The monthly rate is:-		
0.00652 Before Tax				0.00687750 Before Tax		
0.0042385 After Tax				0.0044704 After Tax		
0.35 Tax rate				0.35 Tax rate		
<b>Account 186280</b>		<b>2007 Interest</b>				
12-31-2006	GL Balance including interest	(\$68,246.00)				
01-31-2007	GL Balance	\$68,246.00	Transfer to 186290			
01-31-2007	GL Balance	0				
			<b>Jan-07</b>		<b>DFIT Expense</b>	<b>ADFIT</b>
Jan-07	ERM Deferral	0	Deferral	0	Operating	0
Jan-07	Interest	0	Interest	0	Nonoperating	0
01-31-2007	Balance before interest	0		0	Total	0
			<b>Feb-07</b>		<b>DFIT Expense</b>	<b>ADFIT</b>
Feb-07	ERM Deferral	10,299	Deferral	3,605	Operating	(3,605)
Feb-07	Interest	22	Interest	8	Nonoperating	(8)
02-28-2007	Balance before interest	10,299		3,613	Total	(3,613)
			<b>Mar-07</b>		<b>DFIT Expense</b>	<b>ADFIT</b>
Mar-07	ERM Deferral	(10,299)	Deferral	(3,605)	Operating	3,605
Mar-07	Interest	22	Interest	8	Nonoperating	(8)
03-31-2007	Balance before interest	0		(3,597)	Total	3,597
			<b>Apr-07</b>		<b>DFIT Expense</b>	<b>ADFIT</b>
Apr-07	ERM Deferral	0	Deferral	0	Operating	0
Apr-07	Interest	0	Interest	0	Nonoperating	0
04-30-2007	Balance before interest	0		0	Total	0
			<b>May-07</b>		<b>DFIT Expense</b>	<b>ADFIT</b>
May-07	ERM Deferral	0	Deferral	0	Operating	0
May-07	Interest	0	Interest	0	Nonoperating	0
05-31-2007	Balance before interest	0		0	Total	0
			<b>Jun-07</b>		<b>DFIT Expense</b>	<b>ADFIT</b>
Jun-07	ERM Deferral	0	Deferral	0	Operating	0
Jun-07	Interest	0	Interest	0	Nonoperating	0
06-30-2007	Balance before interest	0		0	Total	0
			<b>GL Balance</b>		<b>Activity</b>	<b>GL Balance</b>
<b>Net ERM Balance</b>		<b>44</b>	<b>05-31-07</b>	<b>Jun-07</b>	<b>06-30-07</b>	
			<b>44</b>	<b>0</b>	<b>44</b>	
<b>ADFIT Balance</b>		<b>(15)</b>				

Changes Semiannually on January 1 and July 1 Beginning 7/1/02							
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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 12/31/06 is 7.825%.		0.00652 Before Tax		Actual cost of debt at 6/30/06 is 8.253%			
The monthly rate is:		0.0042385 After Tax		The monthly rate is:-		0.00687750 Before Tax	
		0.35 Tax rate				0.0044704 After Tax	
						0.35 Tax rate	
<b>Account 186290</b>		<b>2007 Interest</b>					
12-31-2006	GL Balance including interest	0					
01-31-2007	Transfer from 186280	(\$68,246)					
01-31-2007	GL Balance including interest	(\$68,246)		Jan-07	DFIT Expense		ADFIT
Jan-07	Interest		(289)	Interest	(101)	Nonoperating	101
01-31-2007	Balance before interest	(68,246)			(101)	Total	101
				Feb-07	DFIT Expense		ADFIT
Feb-07	Interest		(289)	Interest	(101)	Nonoperating	101
02-28-2007	Balance before interest	(68,246)			(101)	Total	101
				Mar-07	DFIT Expense		ADFIT
Mar-07	Interest		(289)	Deferral	0	Operating	0
03-31-2007	Balance before interest	(68,246)		Interest	(101)	Nonoperating	101
					(101)	Total	101
				Apr-07	DFIT Expense		ADFIT
Apr-07	Interest		(289)	Deferral	0	Operating	0
04-30-2007	Balance before interest	(68,246)		Interest	(101)	Nonoperating	101
					(101)	Total	101
				May-07	DFIT Expense		ADFIT
May-07	Interest		(289)	Deferral	0	Operating	0
05-31-2007	Balance before interest	(68,246)		Interest	(101)	Nonoperating	101
					(101)	Total	101
				Jun-07	DFIT Expense		ADFIT
Jun-07	Interest		(289)	Deferral	0	Operating	0
06-30-2007	Balance before interest	(68,246)		Interest	(101)	Nonoperating	101
					(101)	Total	101
	<b>Net ERM Balance</b>	<b>(69,980)</b>		<b>GL Balance</b>	<b>Activity</b>	<b>GL Balance</b>	
				<b>05-31-07</b>	<b>Jun-07</b>	<b>06-30-07</b>	
	<b>ADFIT Balance</b>	<b>24,493</b>		<b>(69,691)</b>	<b>(289)</b>	<b>(69,980)</b>	
When WUTC deems 2006 deferred power costs prudent - reclass to 182350 after interest calculation.							
Order granting prudency received 6/27/07							

<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 12/31/06 is 7.825%.						
The monthly rate is:						
0.00652 Before Tax			Actual cost of debt at 6/30/06 is 8.253%			
0.0042385 After Tax			The monthly rate is:-		0.00687750 Before Tax	
0.35 Tax rate					0.0044704 After Tax	
					0.35 Tax rate	
<b>Account 182350</b>			<b>2007 Interest</b>			
12-31-2006	GL Balance including interest	70,227,235		Jan-07	DFIT Expense	ADFIT
Jan-07	Surcharge Amortization	(3,270,611)		Amortization	(1,144,714)	Operating 1,144,714
Jan-07	Interest		290,727	Interest	101,754	Nonoperating (101,754)
01-31-2007	Balance before interest	66,956,624			(1,042,960)	Total 1,042,960
				Feb-07	DFIT Expense	ADFIT
Feb-07	Surcharge Amortization	(3,241,530)		Amortization	(1,134,536)	Operating 1,134,536
Feb-07	Interest		276,926	Interest	96,924	Nonoperating (96,924)
02-28-2007	Balance before interest	63,715,094			(1,037,612)	Total 1,037,612
				Mar-06	DFIT Expense	ADFIT
Mar-06	Surcharge Amortization	(2,627,640)		Amortization	(919,674)	Operating 919,674
Mar-06	Interest		264,488	Interest	92,571	Nonoperating (92,571)
03-31-2006	Balance before interest	61,087,454			(827,103)	Total 827,103
				Apr-06	DFIT Expense	ADFIT
Apr-06	Surcharge Amortization	(2,349,050)		Amortization	(822,168)	Operating 822,168
Apr-06	Interest		253,941	Interest	88,879	Nonoperating (88,879)
04-30-2006	Balance before interest	58,738,404			(733,289)	Total 733,289
				May-06	DFIT Expense	ADFIT
May-06	Surcharge Amortization	(2,149,145)		Amortization	(752,201)	Operating 752,201
May-06	Interest		244,408	Interest	85,543	Nonoperating (85,543)
05-31-2006	Balance before interest	56,589,259			(666,658)	Total 666,658
				Jun-06	DFIT Expense	ADFIT
Jun-06	Surcharge Amortization	(2,245,643)		Amortization	(785,975)	Operating 785,975
Jun-06	Interest		235,094	Interest	82,283	Nonoperating (82,283)
06-30-2006	Balance before interest	54,343,616			(703,692)	Total 703,692
				GL Balance	Activity	GL Balance
				05-31-2007	Jun-07	06-30-2007
	<b>Net ERM Balance</b>	<b>55,909,200</b>		<b>57,919,749</b>	<b>(2,010,549)</b>	<b>55,909,200</b>
	<b>ADFIT Balance</b>	<b>(19,568,220)</b>				

Tax Rate	35%	DJ481 LTD	DJ481 LTD	DJ481 LTD			DJ481 CURMO	
J481	283280	283280	283280	283280		283280	283280	283280
	BEGINNING	ADFIT	ADFIT	ADFIT		BALANCE	FOR ALL	ENDING
	BALANCE	182350	186280	186290		COMPONENTS	ACCOUNTS	BALANCE
12-31-2006	(25,510,633)	(24,579,532)	23,886	0		(24,555,646)	954,987	(24,555,646)
01-31-2007	(24,555,646)	(23,536,573)	0	23,987		(23,512,586)	1,043,060	(23,512,586)
02-28-2007	(23,512,585)	(22,498,961)	(3,612)	24,088		(22,478,485)	1,034,100	(22,478,485)
03-31-2007	(22,478,485)	(21,671,858)	(15)	24,190		(21,647,683)	830,802	(21,647,683)
04-30-2007	(21,647,684)	(20,938,570)	(15)	24,291		(20,914,294)	733,390	(20,914,294)
05-31-2007	(20,914,294)	(20,271,912)	(15)	24,392		(20,247,535)	666,759	(20,247,535)
06-30-2007	(20,247,535)	(19,568,220)		24,493		(19,543,727)	703,808	(19,543,727)
			<b>ADFIT</b>			<b>Interest</b>		
		<b>410100</b>	<b>410200</b>	<b>283280</b>		<b>182350</b>	<b>186280</b>	<b>186290</b>
01-31-2007	182350	(1,144,714)	101,754	1,042,960	290,727	0	(289)	(290,438)
	186280	0	0	0				
	186290	0	(101)	101				
<b>Total</b>		(1,144,714)	101,653	1,043,061				
02-28-2007	182350	(1,134,536)	96,924	1,037,612	276,926	22	(289)	(276,659)
	186280	3,605	8	(3,613)				
	186290	0	(101)	101				
<b>Total</b>		(1,130,931)	96,831	1,034,100				
03-31-2007	182350	(919,674)	92,571	827,103	264,488	22	(289)	(264,221)
	186280	(3,605)	8	3,597				
	186290	0	(101)	101				
<b>Total</b>		(923,279)	92,478	830,801				
04-30-2007	182350	(822,168)	88,879	733,289	253,941	0	(289)	(253,652)
	186280	0	0	0				
	186290	0	(101)	101				
<b>Total</b>		(822,168)	88,778	733,390				
05-31-2007	182350	(752,201)	85,543	666,658	244,408	0	(289)	(244,119)
	186280	0	0	0				
	186290	0	(101)	101				
<b>Total</b>		(752,201)	85,442	666,759				
06-30-2007	182350	(785,975)	82,283	703,692	235,094	0	(289)	(234,805)
	186280	0	0	0				
	186290	0	(101)	101				
<b>Total</b>		(785,975)	82,182	703,793				
Recon:	Total interest 2007		1,563,894					
	Calc non op DFIT 2007		547,363					
	Total 410200 2007		547,364					

	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 Company Bands 186010	YTD WA ERM Contra Account 186020	GL Impact
2006 Requirement										
Band 1 \$4,000,000	(\$2,601,664)	\$2,601,664	\$0	\$3,000,000			2006 50/50 Sharing \$4M - \$10M	2006 90/10 Sharing > \$10M		
Jan-07 Reverse 2006	\$2,601,664	(\$2,601,664)	\$0				Band 2 <=	Band 3		
2007 Requirement										
Band 1 \$4,000,000				\$3,000,000			2007 50/50 Sharing \$4M - \$10M	2007 90/10 Sharing > \$10M		
Jan-07 Activity	\$711,356	(\$711,356)								
01-31-2007 Balance	\$711,356	(\$711,356)	\$0							
Feb-07 Activity	\$3,288,644	(\$3,288,644)					Activity			
02-28-2007 Balance	\$4,000,000	(\$4,000,000)	\$0	\$10,299	(\$10,299)	\$0	Balance			
Mar-07 Activity	(\$795,037)	\$795,037					Activity	Activity		
03-31-2007 Balance	\$3,204,963	(\$3,204,963)	\$0	\$10,299	(\$10,299)	\$0	Balance	Balance	\$0	\$0
Apr-07 Activity	(\$750,828)	\$750,828					Activity	Activity		
04-30-2007 Balance	\$2,454,135	(\$2,454,135)	\$0	\$0	\$0	\$0	Balance	Balance	\$0	\$0
May-07 Activity	(\$126,272)	\$126,272					Activity	Activity		
05-31-2007 Balance	\$2,327,863	(\$2,327,863)	\$0	\$0	\$0	\$0	Balance	Balance	\$0	\$0
Jun-07 Activity	\$71,337	(\$71,337)					Activity	Activity		
06-30-2007 Balance	\$2,399,200	(\$2,399,200)	\$0	\$0	\$0	\$0	Balance	Balance	\$0	\$0
							Total company	Total company		
							absorption YTD	absorption YTD		
									\$2,399,200	(\$2,399,200)
										\$0

AVISTA CORPORATION  
 JUNE 2007 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)
			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)	63.554%	97,387,662	0.00%	100.00%	0.405¢	0.446¢	\$0	\$434,349	0.956325	\$415,379
1 (601-1300 kWh)	27.968%	42,857,069	0.00%	100.00%	0.607¢	0.668¢	0	286,285	0.956325	273,782
1 (over 1300 kWh)	8.478%	12,991,355	0.00%	100.00%	0.853¢	0.938¢	0	121,859	0.956325	116,537
Total Sch 1	100.000%	153,236,086					0	842,493		805,698
11		28,015,872	0.00%	100.00%	0.788¢	0.867¢	0	242,898	0.956325	232,289
12		2,935,784	0.00%	100.00%	0.788¢	0.867¢	0	25,453	0.956325	24,341
21		128,601,891	0.00%	100.00%	0.549¢	0.604¢	0	776,755	0.956325	742,830
22		2,524,514	0.00%	100.00%	0.549¢	0.604¢	0	15,248	0.956325	14,582
25		79,485,268	0.00%	100.00%	0.352¢	0.387¢	0	307,608	0.956325	294,173
30		4,278,900	0.00%	100.00%	0.485¢	0.534¢	0	22,849	0.956325	21,851
31		11,852,255	0.00%	100.00%	0.485¢	0.534¢	0	63,291	0.956325	60,527
32		1,629,448	0.00%	100.00%	0.485¢	0.534¢	0	8,701	0.956325	8,321
41-46		\$294,610	0.00%	100.00%	109.78%	110.76%	0	28,620	0.956325	27,370
47		\$87,598	0.00%	100.00%	109.78%	110.76%	0	8,510	0.956325	8,138
48		\$59,446	0.00%	100.00%	109.78%	110.76%	0	5,775	0.956325	5,523
Schedule Totals		412,560,018					\$0	\$2,348,201		\$2,245,643
kWh not subject to surcharge										-35%
Sch 41-48		2,211,430								(\$785,975) DFIT Expense
Total kWh		414,771,448								



**Electric Revenue Report by Revenue Class**  
**Current Month and Year-to-Date**  
**for Accounting Period : 200706 , State Code : WA**

Accounting Period: 200706 | State Code: WA

Rate Schedule Num	Meters	Usage	Revenue Amt	YTD Average Meters	Ytd Usage	Ytd Revenue Amt
001	195,312	153,236,086	9,560,371	195,883	1,266,340,348	79,314,369
011	18,905	28,015,872	2,610,916	18,887	188,732,003	17,461,036
012	7,470	2,935,784	292,038	7,429	23,932,148	2,261,268
021	3,221	128,601,891	8,986,858	3,216	755,344,536	52,790,425
022	70	2,524,514	164,429	72	18,583,195	1,182,665
025	22	79,485,268	3,652,193	22	464,342,965	21,431,304
028	0	0	16,482	1	106,890	115,901
030	37	4,278,900	229,383	36	6,856,460	368,773
031	1,067	11,852,255	726,262	1,053	31,844,662	2,024,920
032	1,146	1,629,448	102,222	1,129	3,457,240	244,562
041	11	8,720	1,520	11	52,320	9,122
042	254	1,093,191	271,658	252	6,578,504	1,634,231
044	14	22,267	2,135	14	133,602	12,809
045	5	89,677	5,094	5	538,802	30,608
046	16	184,992	14,203	16	1,112,705	85,453
047	0	503,241	87,598	0	3,000,552	523,493
048	0	309,342	59,446	0	1,861,285	355,792
058	0	0	941,593	0	0	6,346,024
058A	0	0	-5,062	0	0	-46,961

**Electric Revenue Report by Revenue Class**  
**Current Month and Year-to-Date**  
**for Accounting Period : 200706 , State Code : WA**

Accounting Period: 200706 | State Code: WA

	Meters	Usage	Revenue Amt	YTD Average Meters	Ytd Usage	Ytd Revenue Amt
063	0	0	0	0	0	0
090	0	0	4	0	0	24
095	0	0	14,399	0	0	80,839
099	0	0	68,793	0	0	333,569
Total WA	227,550	414,771,448	27,802,534	228,026	2,772,818,217	186,560,225
Total WA	227,550	414,771,448	27,802,534	228,026	2,772,818,217	186,560,225

	Actual Jan-07	Actual Feb-07	Actual Mar-07	Actual Apr-07	Actual May-07	Actual Jun-07	Actual Jul-07	Actual Sep-07	Actual Oct-07	Actual Nov-07	Actual Dec-07
1 555 Purchased Power	\$ 18,022,404	\$ 15,556,430	\$ 16,229,490	\$ 14,958,880	\$ 13,780,783	\$ 11,917,904					
2 501 Thermal Fuel	\$ 2,644,843	\$ 2,003,296	\$ 1,571,643	\$ 2,063,412	\$ 1,491,073	\$ 1,718,138					
3 547 CT Fuel	\$ 12,074,935	\$ 11,596,669	\$ 4,239,767	\$ 856,223	\$ 1,789,184	\$ 4,321,264					
4 447 Sale for Resale	\$(10,417,585)	\$(11,760,278)	\$(13,825,329)	\$(14,134,288)	\$(16,281,872)	\$(14,872,488)					
5 Actual Net Expense	\$ 22,324,597	\$ 17,396,117	\$ 8,215,571	\$ 3,744,227	\$ 779,168	\$ 3,084,818	\$ -	\$ -	\$ -	\$ -	\$ -
6 456100/700 Transmission Revenue	\$ (740,481)	\$ (771,135)	\$ (869,317)	\$ (1,085,918)	\$ (970,024)	\$ (1,104,550)					
7 565 Transmission Expense	\$ 1,078,483	\$ 1,146,469	\$ 1,039,109	\$ 1,013,095	\$ 1,017,312	\$ 1,095,080					
8 557170 Broker Fees	\$ 2,995	\$ 6,870	\$ 2,285	\$ 5,491	\$ 5,166	\$ 4,451					
9 Less Pottlatch 62 aMW directly to ID	\$(1,719,075)	\$(1,544,347)	\$(1,112,014)	\$(1,640,274)	\$(1,692,336)	\$(1,723,195)					
10 Adjusted Actual Net Expense	\$ 20,946,519	\$ 16,233,974	\$ 7,275,634	\$ 2,036,621	\$ (860,714)	\$ 1,356,604					
<b>AUTHORIZED NET EXPENSE-SYSTEM</b>											
11 555 Purchased Power	\$ 78,312,672	\$ 7,844,080	\$ 5,646,977	\$ 5,167,798	\$ 3,919,404	\$ 3,947,698	\$ 4,611,314	\$ 6,114,915	\$ 6,475,870	\$ 6,922,384	\$ 9,429,894
12 501 Thermal Fuel	\$ 18,966,459	\$ 1,498,204	\$ 1,704,104	\$ 1,638,517	\$ 1,295,688	\$ 1,037,197	\$ 1,667,775	\$ 1,714,511	\$ 1,715,380	\$ 1,660,551	\$ 1,714,075
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	\$ 7,711,236	\$ 7,586,613
14 447 Sale for Resale	\$(62,059,914)	\$(2,591,928)	\$(3,322,097)	\$(6,706,383)	\$(10,402,116)	\$(7,569,805)	\$(6,457,020)	\$(3,368,084)	\$(2,440,168)	\$(5,554,272)	\$(3,350,298)
15 Settlement/Compliance Filing Adj.	\$ (251,923)	\$ 74,750	\$(516,741)	\$ (129,319)	\$ 921,340	\$(1,353,073)	\$(1,331,742)	\$(28,867)	\$ 1,162,101	\$(283,194)	\$ 266,894
16 456100 Transmission Revenue	\$ (10,268,650)	\$ (850,551)	\$ (850,576)	\$ (854,363)	\$ (856,884)	\$ (860,452)	\$ (862,365)	\$ (861,081)	\$ (853,900)	\$ (853,565)	\$ (853,205)
17 565 Transmission Expense	\$ 13,307,162	\$ 1,132,836	\$ 1,106,210	\$ 1,097,845	\$ 1,084,823	\$ 1,096,602	\$ 1,107,276	\$ 1,095,400	\$ 1,091,132	\$ 1,117,299	\$ 1,122,262
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
19 565 Compliance Filing	\$(84,000)	\$(7,000)	\$(7,000)	\$(7,000)	\$(7,000)	\$(7,000)	\$(7,000)	\$(7,000)	\$(7,000)	\$(7,000)	\$(7,000)
20 Authorized Net Expense	\$ 108,026,038	\$ 16,591,741	\$ 10,317,281	\$ 10,026,168	\$ 3,859,759	\$ (2,433,035)	\$ 3,048,140	\$ 10,667,439	\$ 15,703,250	\$ 15,128,297	\$ 10,719,939
21 Actual - Authorized Net Expense	\$(61,037,400)	\$ 4,354,778	\$ 5,916,693	\$(2,750,534)	\$(1,823,138)	\$ 657,962	\$(3,048,140)	\$(10,667,439)	\$(15,703,250)	\$(15,128,297)	\$(10,719,939)
22 557 Resource Optimization	\$ 2,880,702	\$ 553,465	\$ 193,272	\$ 2,050,028	\$ 16,770	\$ 31,219	\$ 35,948				
23 Adjusted Net Expense	\$(58,156,698)	\$ 4,908,243	\$ 6,109,965	\$(1,806,368)	\$ 699,181	\$ 3,825,587	\$(3,048,140)	\$(10,667,439)	\$(15,703,250)	\$(10,719,939)	\$(15,915,735)
24 Washington Alloc. @ 65.16%	\$(37,894,905)	\$ 3,198,211	\$ 3,981,253	\$(456,450)	\$ (1,177,029)	\$ 449,070	\$(1,986,168)	\$(6,950,903)	\$(9,857,598)	\$(6,985,112)	\$(10,370,693)
25 WA Retail Revenue Adjustment	\$ (6,088,607)	\$(2,486,855)	\$(672,011)	\$ (359,185)	\$ (575,342)	\$(2,421,415)					
26 Net Power Cost Increase (Decrease)	\$ 2,399,200	\$ 711,356	\$ 3,309,242	\$(815,635)	\$(750,828)	\$ (71,337)					
27 Cumulative Balance	\$ 711,356	\$ 4,020,598	\$ 3,204,963	\$ 2,454,135	\$ 2,327,863	\$ 2,399,200	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

input: 10,000,000 and up  
 input: 4,000,000 to \$10M  
 input: 0 to \$4M  
 check # should be zero

**Deferral %**

90%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
50%	\$0	\$20,598	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10%	\$711,356	\$4,000,000	\$3,204,963	\$2,454,135	\$2,327,863	\$2,399,200	\$0	\$0	\$0	\$0	\$0

Deferral Amount, Cumulative  
 Deferral Amount, Monthly  
 Account 557 for Budget  
 Company Band Gross Margin Impact, Cumulative

Avista Utilities  
System Power Supply Expenses  
WASHINGTON DEFERRED POWER COST CALCULATION

Line No.	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	TOTAL 2007
ACTUALS													
555	PURCHASED POWER												
1	8,652,454	6,571,869	8,230,577	6,771,065	6,347,138	4,336,456							40,909,559
2	130,200	117,600	130,200	125,825	130,200	126,000							760,025
3	129,685	124,852	97,261	100,813	20,333	43,535							516,479
4	741,090	716,290	728,055	842,759	867,306	777,699							4,673,199
5	122,918	109,016	109,016	199,093	157,124	461,759							1,158,926
6	354,389	354,389	354,389	531,285	354,389	354,389							2,303,230
7	112,559	112,559	112,559	112,559	112,559	112,559							675,354
8													
9	802	809	893	502	764	502							4,272
10	106,710	128,982	137,852	135,974	123,589	114,229							747,336
11	340,250	261,738	251,160	247,091	280,255	107,254							1,487,748
12	2,451,882	2,215,518	1,210,478	1,172,379									7,050,257
13	-107,866	42,009	147,812	(112,548)	(93,211)	62,119							(61,685)
14	576,600	520,800	575,825	558,000	576,600	558,000							3,365,825
15	572,880	517,440	572,110	554,400	572,880	554,400							3,344,110
16	565,440	510,720	564,680	547,200	565,440	547,200							3,300,680
17	641,700	579,600	640,838	621,000	641,700	621,000							3,745,838
18	174,384	169,567	149,938	144,133	145,515	124,128							907,665
19	1,719,075	1,544,347	1,112,014	1,640,274	1,692,336	1,723,195							9,431,241
20	57,000	81,250	142,500	142,500	142,500	171,000							736,750
21	168,122	338,491	350,821	152,070	172,837	114,850							1,297,191
22	216,337	283,123	285,659	279,792	270,519	304,908							1,640,338
23			1,904	31,983	46,587	44,750							125,224
24	189,100	170,800	189,100		0	0							549,000
25	39,114	25,270	79,787	107,508	122,624	107,773							482,076
26					480,000	500,000							
27					50,799	50,199							
28	67,579	59,391	54,062	53,223	50,799	50,199							335,253
29	18,022,404	15,556,430	16,229,490	14,958,880	13,780,783	11,917,904	0	0					89,485,891
(1) Effective November, 2006, WNP-3 purchase expense has been adjusted to reflect the mid-point price, \$37.17/MWh for the 2006-07 contract year. per Settlement Agreement, Cause No. U-86-99													
447 SALES FOR RESALE													
29	6,015,292	7,777,539	10,463,311	10,406,027	12,243,118	10,884,904							57,790,191
30	150,000	150,000	150,000	150,000	150,000	150,000							900,000
31	51,244	6,848	8,526	7,669	78,829	23,127							176,243
32	48,748	29,778	70,781	77,092	80,669	34,640							341,708
33	257,051	201,152	140,540	192,754	187,695	229,404							1,208,596
34	(5,096)	(4,030)	(3,804)	(5,098)	(3,903)	(4,098)							(26,029)
35	278,590	255,391	231,199	242,269	171,958	170,746							1,350,153
36	224,279	140,367	84,739	111,655	121,427	145,508							827,975
37	3,329,898	3,143,842	2,623,241	2,901,431	3,201,280	3,188,058							18,387,750
38	67,579	59,391	56,796	50,489	50,799	50,199							335,253
39	10,417,585	11,760,278	13,825,329	14,134,288	16,281,872	14,872,488							81,291,840

(1) Effective November, 2006, WNP-3 purchase expense has been adjusted to reflect the mid-point price, \$37.17/MWh for the 2006-07 contract year.  
per Settlement Agreement, Cause No. U-86-99

447 SALES FOR RESALE

29	6,015,292	7,777,539	10,463,311	10,406,027	12,243,118	10,884,904							57,790,191
30	150,000	150,000	150,000	150,000	150,000	150,000							900,000
31	51,244	6,848	8,526	7,669	78,829	23,127							176,243
32	48,748	29,778	70,781	77,092	80,669	34,640							341,708
33	257,051	201,152	140,540	192,754	187,695	229,404							1,208,596
34	(5,096)	(4,030)	(3,804)	(5,098)	(3,903)	(4,098)							(26,029)
35	278,590	255,391	231,199	242,269	171,958	170,746							1,350,153
36	224,279	140,367	84,739	111,655	121,427	145,508							827,975
37	3,329,898	3,143,842	2,623,241	2,901,431	3,201,280	3,188,058							18,387,750
38	67,579	59,391	56,796	50,489	50,799	50,199							335,253
39	10,417,585	11,760,278	13,825,329	14,134,288	16,281,872	14,872,488							81,291,840

Avista Utilities  
System Power Supply Expenses  
WASHINGTON DEFERRED POWER COST CALCULATION

Line No.		Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	TOTAL 2007
ACTUALS														
<u>501 FUEL-DOLLARS</u>														
40	Kettle Falls	1,009,650	886,816	281,428	738,842	599,100	580,210							4,096,046
41	Colstrip	1,575,803	1,089,134	1,271,756	1,273,441	847,431	1,131,313							7,188,878
42	Total Coal & Wood	2,585,453	1,975,950	1,553,184	2,012,283	1,446,531	1,711,523							11,284,924
43	Kettle Falls GS	5,345	1,849	445	6,758	2,368	1,863							18,628
44	Colstrip	54,045	25,497	18,014	44,371	42,174	4,752							188,853
45	Total Oil & Gas	59,390	27,346	18,459	51,129	44,542	6,615							207,481
46	Total Account 501	2,644,843	2,003,296	1,571,643	2,063,412	1,491,073	1,718,138							11,492,405
<u>501 FUEL-TONS</u>														
47	Kettle Falls	54,932	50,926	35,929	42,767	33,936	19,036							237,526
48	Colstrip	99,408	88,457	85,818	83,354	47,674	70,742							475,453
<u>501 FUEL-COST PER TON</u>														
49	Kettle Falls	wood \$ 18.38	\$ 17.41	\$ 7.83	\$ 17.28	\$ 17.65	\$ 30.48							\$ 17.24
50	Colstrip	coal \$ 15.85	\$ 12.31	\$ 14.82	\$ 15.28	\$ 17.78	\$ 15.99							\$ 15.12
<u>547 FUEL</u>														
51	NE Combustion Turbine Gas/Oil	6,119	597	258	(45)	5,072	9,344							21,345
52	Boulder Park	91,277	20,171	4,166	75,463	49,698	46,887							287,662
53	Kettle Falls CT	1,978	113		1,192	(70)	(43)							3,170
54	Coyote Springs2	11,729,516	11,543,942	4,199,187	558,529	1,645,459	4,214,959							33,891,592
55	Rathdrum Fuel Exp	246,045	31,846	36,156	221,084	89,025	50,117							674,273
56	Total Account 547	12,074,935	11,596,669	4,239,767	856,223	1,789,184	4,321,264							34,878,042
57	TOTAL NET EXPENSE	22,324,597	17,396,117	8,215,571	3,744,227	779,168	3,084,818	0	0	0	0	0	0	54,564,498

AVISTA UTILITIES  
 Washington Electric Jurisdiction  
 Energy Recovery Mechanism Revenue Credit  
 Month of June 2007

Description	January	February	March	April	May	June	July	August	September	October	November	December	YTD
Total WA kWhs per Rev Run	540,607,132	540,849,766	456,972,730	424,100,768	395,516,373	414,771,448							2,772,818,217
Deduct Prior Month Unbilled kWhs	(353,051,283)	(357,527,990)	(300,504,629)	(292,131,379)	(271,237,441)	(269,502,816)							(1,843,955,538)
Add Current Month Unbilled kWhs	357,527,990	300,504,629	292,131,379	271,237,441	269,502,816	271,018,987							1,761,923,242
Washington Retail kWhs	545,083,839	483,826,405	448,599,480	403,206,830	393,781,748	416,287,619							2,690,785,921
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	63,498,600	17,000,622	8,939,428	(11,187,291)	14,472,753	61,772,369							154,496,481
WA Retail Revenue Credit (2)	\$2,478,350	\$663,594	\$348,906	(\$436,640)	\$564,872	\$2,410,976	\$0	\$0	\$0	\$0	\$0	\$0	\$6,029,998
Net Wind Revenue Credit	\$8,505	\$8,477	\$10,279	\$10,439	\$10,470	\$10,439	\$0	\$0	\$0	\$0	\$0	\$0	\$58,609
<b>Total Revenue Credit</b>	<b>\$2,486,855</b>	<b>\$672,071</b>	<b>\$359,185</b>	<b>(\$426,201)</b>	<b>\$575,342</b>	<b>\$2,421,415</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,088,607</b>

(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	\$11,730.36	\$11,692.65	\$14,177.63	\$14,398.73	\$14,440.76	\$14,398.94	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$80,839.07
Deduct Admin Expense	\$3,225.85	\$3,215.48	\$3,898.85	\$3,959.65	\$3,971.21	\$3,959.71	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$22,230.74
0.005 x 55 = 0.275 per Revenue \$	\$8,504.51	\$8,477.17	\$10,278.78	\$10,439.08	\$10,469.55	\$10,439.23	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$58,608.33
Net Wind Revenue Credit													