

Avista Corp.
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April 30, 2013

Mr. Steven V. King
Acting 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 through March 2013.

Also included in the report are the monthly general ledger balances resulting from the deferral and amortization activity during the first quarter of 2013.

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 2013

AVISTA UTILITIES
Washington - Gas

Approved Decoupling Mechanism per Order No. 10 Docket No. UG-090135
2012 Actual compared to 2010 Test Year (UG-110877 Settlement)
2013 Actual compared to 2011 Test Year (UG-120437 Settlement)
Adjusted for Actual New Customer Usage and Schedule Shifting
Period July 2012 - June 2013

	2012 July	2012 August	2012 September	2012 October	2012 November	2012 December	2013 January	2013 February	2013 March	2013 April	2013 May	2013 June	Period to Date Total
12 Months Ended June 2013 Actual													
Schedule 101	2,891,517	1,969,467	2,118,366	3,134,468	8,101,674	14,671,902	20,307,726	20,355,015	15,326,447				88,875,582
Schedule 101 Billed Therms	(45,841)	(26,926)	(31,301)	(52,994)	(155,626)	(299,967)	(441,559)	(461,268)	(352,339)				(1,867,821)
Deduct New Customer Usage(1)	67,880	59,359	54,444	65,006	98,180	150,986	169,754	135,963	153,351				954,923
Schedule Shifting Adjustment (2)	(2,262,676)	(1,531,667)	(1,559,475)	(1,754,476)	(5,155,795)	(9,689,477)	(13,047,089)	(14,822,525)	(11,091,331)				(60,914,511)
Deduct Prior Month Unbilled Therms	1,531,667	1,559,475	1,754,476	5,155,795	9,689,477	13,047,089	14,822,525	11,091,331	8,583,637				67,235,472
Add Current Month Unbilled Therms				686,288	1,610,719	2,223,188	(2,164,879)	710,311	726,028				3,791,655
Add Weather Adjustment													
Weather Adj Calendar Therms	2,182,547	2,028,708	2,336,510	7,234,087	14,188,629	20,103,721	19,646,478	17,008,827	13,345,793				98,075,300
Weather Adj Calendar Therms	2,182,547	2,028,708	2,336,510	7,234,087	14,188,629	20,103,721	19,646,478	17,008,827	13,345,793				98,075,300
Less Test Year Therms	2,485,506	2,292,317	2,800,829	7,769,516	14,571,786	21,490,622	20,593,808	16,811,997	13,669,721				102,486,102
Therm Difference	(302,959)	(263,609)	(464,319)	(535,429)	(383,157)	(1,386,901)	(947,330)	196,830	(323,928)				(4,410,802)
Times Current Margin Rate per Therm	0.29592	0.29592	0.29592	0.29592	0.29592	0.29592	0.29638	0.29638	0.29638	0.29638	0.29638	0.29638	0.29638
Revenue Excess (Shortfall)	(\$89,652)	(\$78,007)	(\$137,401)	(\$158,444)	(\$113,364)	(\$410,412)	(\$282,664)	\$56,730	(\$96,654)	\$0	\$0	\$0	(\$1,307,888)
45% Limitation	45%	45%	45%	45%	45%	45%	45%	45%	45%	45%	45%	45%	45%
Deferred Revenue Account Entry	(\$40,343)	(\$35,103)	(\$61,831)	(\$71,300)	(\$51,023)	(\$184,685)	(\$127,199)	\$26,429	(\$43,494)	\$0	\$0	\$0	(\$568,549)
407328 or (407428)													
General Ledger Impairment Recorded December 2012 (3)						444,285							444,285
General Ledger Balance													(144,264)

(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.

(3) The Company recorded a general ledger impairment against the deferred revenue surcharge balance at December 2012 due to little or no opportunity to collect this balance from our customers through future revenues.

Avista Corporation Natural Gas Decoupling Mechanism
Washington Jurisdiction
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**2011 Test Year Factors, 2012-2013 Actual Weather and Unbilled
12 Months Ended December 2011 Test Year Monthly Data**

Weather Normalization		Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Total
Normal Degree Days (30 Year Average 1962 - 2011)		1,109	913	775	551	327	140	36	33	184	546	865	1,172	6,671
Actual Degree Days		1,243	869	730	551	327	140	36	33	184	546	865	1,172	6,716
Degree Day Adjustment (7)		(134)	44	45	-	-	-	-	-	-	-	-	-	(45)
Res 101	Monthly Use/DD/Cust(Z)	0.0980	0.0980	0.0980	0.0760	0.0760	0.0760	0.0000	0.0000	0.0000	0.0760	0.0760	0.0980	
Com 101	Use/DD/Cust(Z)	0.2520	0.2520	0.2520	0.1663	0.1663	0.1663	0.0000	0.0000	0.0000	0.1663	0.1663	0.2520	
Ind 101	Use/DD/Cust(Z)	0.4123	0.4123	0.4123	0.2742	0.2742	0.2742	0.0000	0.0000	0.0000	0.2742	0.2742	0.4123	
Sch. 101		(1,757,666)	576,480	589,485	-	-	-	-	-	-	-	-	-	(591,701)
Res 101		(402,683)	132,380	135,059	-	-	-	-	-	-	-	-	-	(135,244)
Com 101		(4,530)	1,451	1,484	-	-	-	-	-	-	-	-	-	(1,595)
Ind 101		(2,164,879)	710,311	726,028	-	-	-	-	-	-	-	-	-	(728,540)
Total 101														

Revenue Run Customers (Meters Billed)

Class	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Annual Total
Residential 101	133,846	133,692	133,670	133,479	133,443	133,197	133,325	133,319	133,444	133,732	134,277	134,611	1,604,235
Commercial 101	11,925	11,939	11,910	11,896	11,896	11,884	11,825	11,854	11,878	11,889	11,867	11,890	142,653
Industrial 101	82	80	80	82	84	85	83	86	83	86	89	88	1,008
Interdepartmental 101	29	32	31	30	29	30	30	30	30	30	30	29	360
Total	145,882	145,743	145,691	145,487	145,452	145,196	145,263	145,489	145,435	145,737	146,263	146,618	1,748,256

Current Monthly Unbilled Calculation

	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	
Unbilled Sch 101 per Books																			
Rev Run Customers (Meters Billed)	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Average Unbilled per Customer							89.46	101.61	76.10	58.92									
Test Year Customer Current Unbilled							13,047,089	14,822,525	11,091,331	8,583,637									

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Balance Sheet Accounts

GL Account Balance Accounting Period : '201301, 201302, 201303'

Ferc Acct Desc:REG ASSET-DECOUPLING DEFERRED Service:GD Jurisdiction:WA Acct:186328			
Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
201301	0.00	127,199.00	127,199.00
201302	127,199.00	-26,429.00	100,770.00
201303	100,770.00	43,494.00	144,264.00
Sum: 144,264.00			

Note 1

GL Account Balance Accounting Period : '201301, 201302, 201303'

Ferc Acct Desc:REG ASSET- DECOUPLING PRIOR YE Service:GD Jurisdiction:WA Acct:182329			
Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
201301	0.00	0.00	0.00
201302	0.00	0.00	0.00
201303	0.00	0.00	0.00
Sum: 0.00			

GL Account Balance Accounting Period : '201301, 201302, 201303'

Ferc Acct Desc:REG ASSET- DECOUPLING SURCHARG Service:GD Jurisdiction:WA Acct:182328			
Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
201301	7,322.96	19.83	7,342.79
201302	7,342.79	19.89	7,362.68
201303	7,362.68	19.94	7,382.62
Sum: 59.66			

GL Account Balance Accounting Period : '201301, 201302, 201303'

Ferc Acct Desc:REG LIABILITY DECOUPLING REBAT Service:GD Jurisdiction:WA Acct:254328			
Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
201301	-5,530.96	871.68	-4,659.28
201302	-4,659.28	651.69	-4,007.59
201303	-4,007.59	500.89	-3,506.70
Sum: 2,024.26			

GL Account Balance Accounting Period : '201301, 201302, 201303'

Ferc Acct Desc:ADFIT DECOUPLING DEFERRED REV Service:GD Jurisdiction:WA Acct:283328			
Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
201301	-627.25	-44,831.68	-45,458.93
201302	-45,458.93	9,015.10	-36,443.83
201303	-36,443.83	-15,405.19	-51,849.02
Sum: -51,221.77			

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Income Statement Accounts

GL Account Balance Accounting Period : '201301, 201302, 201303'

Ferc Acct Desc:REG CREDIT DECOUPLING DEF REV Service:GD Jurisdiction:WA Acct:407428			
Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
201301	0.00	-127,199.00	-127,199.00
201302	-127,199.00	26,429.00	-100,770.00
201303	-100,770.00	-69,923.00	-170,693.00
Sum:			-170,693.00

Note 2
Note 2

GL Account Balance Accounting Period : '201301, 201302, 201303'

Ferc Acct Desc:REG DEBIT DECOUPLING DEF REV Service:GD Jurisdiction:WA Acct:407328			
Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
201301	0.00	0.00	0.00
201302	0.00	0.00	0.00
201303	0.00	26,429.00	26,429.00
Sum:			26,429.00

Note 2

GL Account Balance Accounting Period : '201301, 201302, 201303'

Ferc Acct Desc:REG DEBIT AMT DECOUPLING SURCH Service:GD Jurisdiction:WA Acct:407329			
Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
201301	0.00	0.00	0.00
201302	0.00	0.00	0.00
201303	0.00	0.00	0.00
Sum:			0.00

GL Account Balance Accounting Period : '201301, 201302, 201303'

Ferc Acct Desc:REG CREDIT AMT DECOUPLING REBA Service:GD Jurisdiction:WA Acct:407429			
Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
201301	0.00	-885.46	-885.46
201302	-885.46	-663.41	-1,548.87
201303	-1,548.87	-511.05	-2,059.92
Sum:			-2,059.92

Note 1 As noted in the 4th quarter 2012 WA Decoupling Report, the Company recorded an impairment of this balance per books at December 31, 2012 resulting in the \$0 beginning balance. Also see Note 3 on Page 1 of this quarterly report regarding the impairment.

Note 2 In February the deferral entry was incorrectly debited to the Regulatory Credit FERC Account 407428. In March this entry was reversed and the correct entry was made to the Regulatory Debit FERC Account 407328.