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September 14, 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, August 2007

Dear Ms. Washburn:

Enclosed are an original and five copies of Avista Corporation's Power Cost Deferral Report for the month of August 2007. The report includes the monthly energy recovery mechanism (ERM) accounting journal together with backup workpapers. In August actual net power costs were higher than authorized costs by \$7,790,772. The year to date difference is \$15,391,231 in the surcharge direction, with \$7,852,108 being deferred and \$7,539,123 being absorbed by the Company.

Actual power supply expense was higher than the authorized level primarily due to very low hydro generation. Hydro generation was 98 aMW below the authorized level. The average market purchase price was \$52.48/MWh and the average market sales price was \$64.78/MWh.

Coyote Springs 2 generated 25 aMW above the authorized level. Other gas fired resources generated 8 aMW above the authorized level due to economics. Colstrip and Kettle Falls generated 12 aMW and 27 aMW below the authorized levels, respectively. Net transmission expense (transmission expense less transmission revenue) was above the authorized level. Thermal fuel expense and natural gas fuel expense were both above the authorized level due to increased generation and/or higher fuel cost. The average price of gas for Coyote Springs 2 was \$6.82/dth. Washington retail sales were 2 aMW above the authorized level.

In August 2007 the deferral balance increased by \$3,671,779. The August deferral amounted to \$6,051,878, interest amounted to \$242,514, and the amortization equaled \$2,622,613. The actual deferral balance at the end of August is \$59.3 million. The deferral balance would reach zero in the September 2009 timeframe based on the following assumptions:

1. The current forecast of higher costs for September through December 2007 resulting in additional deferrals of \$4.4 million.
2. No deferrals beyond December 2007.
3. Forecasted amortizations assuming no change in the existing surcharge rate.

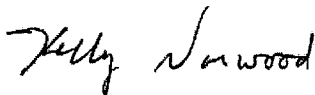
In order to recover the deferral balance by the end of 2008, using the same assumptions, the surcharge rate would need to be increased on January 1, 2008 to approximately 18.73% from the present surcharge of 10.76%. These projections are based on currently available forecasted information, which is periodically updated.

At December 31, 2007 the deferral balance is forecasted to be \$54.3 million. By comparison, the annual amortization or recovery at the 10.76% surcharge rate is approximately \$32.0 million.

Interest is calculated pursuant to the Settlement Stipulation approved by the Commission's Fifth Supplemental Order in Docket No. UE-011595, dated June 18, 2002. Interest is applied to the average of the beginning and ending month deferral balances net of associated deferred federal income tax. The Company's weighted cost of debt is used as the interest rate. The interest rate is updated semi-annually and interest is compounded semi-annually. The January and July reports contain the supporting workpapers for the semi-annual updates of the weighted cost of debt used in the interest calculations.

Enclosed is a forward long-term power contract that contains confidential, market-sensitive information. Avista and the counter-party to the agreement might be directly affected by disclosure of the confidential information. The first page of the contract and the pages containing confidential information have been marked with the designation "confidential per WAC 480-07-160." The unredacted version is being filed under seal. Six copies of the unredacted version are being submitted in sealed envelopes, copied on yellow paper and identified as "Confidential Attachment A." Six copies of the redacted version are also being submitted. 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 AUGUST 2007

Avista Corporation Journal Entry

Printed 09/07/ at 4:26 pm

Effective Date: 200708

Journal: 481-WA ERM

Team: Resource Accounting

Type: C

Category: DJ

Last Saved by: Lori Hamilton

Last Saved: 09/07/2007 4:03 PM

Submitted by: Lori Hamilton

Seq.	Co.#	FERC	Ser.	Jur.	S.L.	Debit	Credit	Comment
10	001	557290 - WA ERM AMORTIZATION	ED	WA	DL	2,622,613.00		WA ERM surcharge amortization
20	001	182350 - REGULATORY ASSET ERM APPROVED FOR	ED	WA	DL		2,622,613.00	WA ERM authorized for recovery
30	001	557280 - DEFERRED POWER SUPPLY EXPENSE	ED	WA	DL		6,051,878.00	WA ERM current month deferral
40	001	186280 - REGULATORY ASSET ERM DEFERRED	ED	WA	DL	6,051,878.00		WA ERM current year deferral
50	001	182350 - REGULATORY ASSET ERM APPROVED FOR	ED	WA	DL	222,011.00		Accrue interest on deferral balance authorized for recovery
60	001	186280 - REGULATORY ASSET ERM DEFERRED	ED	WA	DL		20,503.00	Accrue interest on current year deferral balance
70	001	186290 - REGULATORY ASSET ERM DEFERRED LAST	ED	WA	DL	0.00		Accrue interest on previous year deferral balance
80	001	419600 - INTEREST ON ENERGY DEFERRALS	ED	WA	DL		242,514.00	Non-utility interest income
90	001	410100 - PRV DFIT DR	ED	WA	DL	1,200,242.00		DFIT entry for power supply deferral and surcharge amortization
100	001	410200 - DFIT EXP-NONOPER (DR)	ZZ	ZZ	DL		84,880.00	Non-op DFIT entry for interest income
110	001	283280 - ADFIT ERM	ED	WA	DL		1,285,122.00	ADFIT WA ERM current and prior years
120	001	186010 - REGULATORY ASSET ERM YTD COMPANY	ED	WA	DL		1,738,893.00	Track YTD company band accumulation
130	001	186020 - REGULATORY ASSET ERM YTD CONTRA	ED	WA	DL		1,738,893.00	Contra account for YTD company band accumulation
<b>TOTALS:</b>						<b>11,941,020.00</b>	<b>11,941,020.00</b>	

Avista Co. Corporation Journal Entry

Printed 09/07/ at 4:26 pm

Effective Date: 200708

Journal: 481-WA ERM

Team: Resource Accounting

Type: C

Category: DJ

Last Saved by: Lori Hamilton

Last Saved: 09/07/2007 4:03 PM

Submitted by: Lori Hamilton

Explanation:

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

*Lori Hamilton*

Prepared by Lori Hamilton

*Jami Gudge*  
Reviewed by

9/7/07

Date

9/7/07

Date

Date

Approved for Entry  
Corporate Accounting use Only

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

Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200613	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	
200707	USD	1,804,054.00		1,804,098.00	
200708	USD	6,072,381.00		7,876,479.00	

Journal Details

Summary Balances

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

**Account 186280.ED.WA**

	Amount	Journal ID
Balance 7/31/07	\$1,804,098.00	
Deferral	\$6,051,878.00	481 - WA ERM
Interest	20,503.00	481 - WA ERM
Balance 8/31/07	<u>\$7,876,479.00</u>	

Year to date deferrals	\$7,852,108.00
Year to date interest	24,371.00
Balance in account	<u>\$7,876,479.00</u>

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	
200707	USD	0.00		0.00	
200708	USD	0.00		0.00	

Journal Details

Summary Balances

**ERM Deferral Balance (Prior year - 2006)**  
**Account 186290.ED.WA**  
 Balance 7/31/07  
 No current month activity  
 Balance 8/31/07

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

Balance Type **Actual**

Currency Type **Entered**

Month of August '07  
Page 5 of 20

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	
200707	USD	-2,036,816.00		53,802,403.65	
200708	USD	2,400,602.00		51,401,801.65	

Journal Details

Summary Balances

**Recoverable Deferral Balance**

**Account 182350.ED.WA**

Balance 7/31/07

Amortization

Interest

Balance 8/31/07

Amount	Journal ID
\$53,802,403.65	
-2,622,613.00	481 - WA ERM
222,011.00	481 - WA ERM
<u>\$51,401,801.65</u>	



Balance Type **Actual**

Currency Type **Entered**

Month of August '07

Factor **Units**

Page 6 of 20

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	
200707	USD	3,401,030.00		5,800,230.00	
200708	USD	1,738,893.00		7,539,123.00	

Journal Details

Summary Balances

**ERM Deadband plus Amounts Absorbed**

**Account 186010.ED.WA**

Balance 7/31/07

Current month entry

Balance 8/31/07

Amount

Journal ID

\$5,800,230.00

1,738,893.00

481 - WA ERM

\$7,539,123.00

First \$4,000,000 at 100%  
 \$4,000,000 to \$10,000,000 at 50%  
 Over \$10,000,000 at 10%  
 Total

Total	Absorbed	Deferred
\$4,000,000.00	\$4,000,000.00	\$0.00
6,000,000.00	3,000,000.00	3,000,000.00
5,391,231.00	539,123.00	4,852,108.00
<u>\$15,391,231.00</u>	<u>\$7,539,123.00</u>	<u>\$7,852,108.00</u>

Balance Type **Actual**

Currency Type **Entered**

Deferral Report  
Month of August '07  
Page 7 of 20

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	
200707	USD	-3,401,030.00		-5,800,230.00	
200708	USD	-1,738,893.00		-7,539,123.00	

Journal Details

Summary Balances

**ERM Deadband Contra Account**

**Account 186020.ED.WA**

Balance 7/31/07  
Current month entry  
Balance 8/31/07

Amount	Journal ID
-\$5,800,230.00	
-1,738,893.00	481 - WA ERM
<u>-\$7,539,123.00</u>	

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

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	
200707	USD	81,466.00		-19,462,276.00	
200708	USD	-1,285,122.00		-20,747,398.00	

Journal Details

Summary Balances

**DFIT Associated with ERM Deferrals**

**Account 283280.ED.WA**

Account 186280.ED.WA balance	\$7,876,479.00
Account 186290.ED.WA balance	0.00
Account 182350.ED.WA balance	51,401,801.65
Total	<u>\$59,278,280.65</u>
Federal income tax rate	-35%
Deferred FIT related to deferrals	<u>-\$20,747,398</u>
Rounding	0
Balance in account	<u><u>-\$20,747,398</u></u>

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 12/31/06 is 7.825%--				Actual cost of debt at 6/30/07 is 7.843%		
The monthly rate is:		0.00652	Before Tax	The monthly rate is:		0.00653583 Before Tax
		0.0042385	After Tax			0.0042483 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				
				<u>Jan-07</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
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
				<u>Feb-07</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
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)
				<u>Mar-07</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
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
				<u>Apr-07</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
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
				<u>May-07</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
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
				<u>Jun-07</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
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
06-30-2007	GL Balance including interest	44				
				<u>Jul-07</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
Jul-07	ERM Deferral	1,800,230	Deferral	630,081	Operating	(630,081)
Jul-07	Interest	3,824	Interest	1,338	Nonoperating	(1,338)
07-31-2007	Balance before interest	1,800,274		631,419	Total	(631,419)
				<u>Aug-07</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
Aug-07	ERM Deferral	6,051,878	Deferral	2,118,157	Operating	(2,118,157)
Aug-07	Interest	20,503	Interest	7,176	Nonoperating	(7,176)
08-31-2007	Balance before interest	7,852,152		2,125,333	Total	(2,125,333)
				<u>GL Balance</u>	<u>Activity</u>	<u>GL Balance</u>
<b>Net ERM Balance</b>		<b>7,876,479</b>		<b>07-30-07</b>	<b>Aug-07</b>	<b>08-31-07</b>
<b>ADFIT Balance</b>		<b>(2,756,768)</b>		<b>1,804,098</b>	<b>6,072,381</b>	<b>7,876,479</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 12/31/06 is 7.825%--				Actual cost of debt at 6/30/07 is 7.843%			
The monthly rate is:		0.00652	Before Tax	The monthly rate is:			
		0.0042385	After Tax	0.00653583 Before Tax			
		0.35	Tax rate	0.0042483 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
Mar-07	Interest		(289)	Interest	(101)	Nonoperating	101
03-31-2007	Balance before interest	(68,246)			(101)	Total	101
				Apr-07	DFIT Expense		ADFIT
Apr-07	Interest	0		Deferral	0	Operating	0
Apr-07	Interest		(289)	Interest	(101)	Nonoperating	101
04-30-2007	Balance before interest	(68,246)			(101)	Total	101
				May-07	DFIT Expense		ADFIT
May-07	Interest	0		Deferral	0	Operating	0
May-07	Interest		(289)	Interest	(101)	Nonoperating	101
05-31-2007	Balance before interest	(68,246)			(101)	Total	101
				Jun-07	DFIT Expense		ADFIT
Jun-07	Interest	0		Deferral	0	Operating	0
Jun-07	Interest		(289)	Interest	(101)	Nonoperating	101
06-30-2007	Balance before interest	(68,246)			(101)	Total	101
06-30-2007	GL Balance including interest	(69,980)		Jun-07	DFIT Expense		ADFIT
06-30-2007	ERM Transfer to 182350	69,980		Deferral	0	Operating	0
Jul-07	Interest		0	Interest	0	Nonoperating	0
07-31-2007	Balance before interest	0			0	Total	0
				Aug-07	DFIT Expense		ADFIT
Aug-07	Interest		0	Deferral	0	Operating	0
Aug-07	Interest		0	Interest	0	Nonoperating	0
08-31-2007	Balance before interest	0			0	Total	0
	<b>Net ERM Balance</b>	0		<b>GL Balance</b>	<b>Activity</b>	<b>GL Balance</b>	
	<b>ADFIT Balance</b>	0		<b>07-30-07</b>	<b>Aug-07</b>	<b>08-31-07</b>	
				0	0	0	
When WUTC deems 2006 deferred power costs prudent - reclass to 182350 after interest calculation.							
Order granting prudence 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%.			Actual cost of debt at 6/30/07 is 7.843%			
The monthly rate is:			The monthly rate is:			
		0.00652	Before Tax		0.00653583	Before Tax
		0.0042385	After Tax		0.0042483	After Tax
		0.35	Tax rate		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
06-30-2006	Transfer from 186290	(69,980)				
06-30-2006	GL Balance including interest	55,839,220		Jul-06	DFIT Expense	ADFIT
Jul-06	Surcharge Amortization	(2,269,218)		Amortization	(794,226)	Operating 794,226
Jul-06	Interest		232,402	Interest	81,341	Nonoperating (81,341)
07-31-2006	Balance before interest	53,570,002			(712,885)	Total 712,885
				Aug-06	DFIT Expense	ADFIT
Aug-06	Surcharge Amortization	(2,622,613)		Amortization	(917,915)	Operating 917,915
Aug-06	Interest		222,011	Interest	77,704	Nonoperating (77,704)
08-31-2006	Balance before interest	50,947,389			(840,211)	Total 840,211
				GL Balance	Activity	GL Balance
				07-30-2007	Aug-07	08-31-2007
	Net ERM Balance	51,401,802		53,802,404	(2,400,602)	51,401,802
	ADFIT Balance	(17,990,631)				

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>
12-31-2006	(25,510,633)	(24,579,532)	23,886	0			(24,555,646)	954,987
01-31-2007	(24,555,646)	(23,536,573)	0	23,987			(23,512,586)	1,043,060
02-28-2007	(23,512,585)	(22,498,961)	(3,612)	24,088			(22,478,485)	1,034,100
03-31-2007	(22,478,485)	(21,671,858)	(15)	24,190			(21,647,683)	830,802
04-30-2007	(21,647,684)	(20,938,570)	(15)	24,291			(20,914,294)	733,390
05-31-2007	(20,914,294)	(20,271,912)	(15)	24,392			(20,247,535)	666,759
06-30-2007	(20,247,535)	(19,568,220)	(15)	24,493			(19,543,742)	703,793
07-31-2007	(19,543,742)	(18,830,841)	(631,434)	0			(19,462,275)	81,467
08-31-2007	(19,462,276)	(17,990,631)	(2,756,768)	0			(20,747,399)	(1,285,123)
			<b>ADFIT</b>				<b>Interest</b>	
		<b>410100</b>	<b>410200</b>	<b>283280</b>			<b>182350</b>	<b>186280</b>
							<b>186290</b>	<b>419600</b>
01-31-2007	182350	(1,144,714)	101,754	1,042,960		290,727	0	(289)
	186280	0	0	0				(290,438)
	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)
	186280	3,605	8	(3,613)				(276,659)
	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)
	186280	(3,605)	8	3,597				(264,221)
	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)
	186280	0	0	0				(253,652)
	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)
	186280	0	0	0				(244,119)
	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)
	186280	0	0	0				(234,805)
	186290	0	(101)	101				
<b>Total</b>		(785,975)	82,182	703,793				
07-31-2007	182350	(794,226)	81,341	712,885		232,402	3,824	0
	186280	630,081	1,338	(631,419)				(236,226)
	186290	0	0	0				
<b>Total</b>		(164,145)	82,679	81,466				
08-31-2007	182350	(917,915)	77,704	840,211		222,011	20,503	0
	186280	2,118,157	7,176	(2,125,333)				(242,514)
	186290	0	0	0				
<b>Total</b>		<b>1,200,242</b>	<b>84,880</b>	<b>(1,285,122)</b>				
Recon:	Total interest 2007		2,042,634					
	Calc non op DFIT 2007		714,922					
	Total 410200 2007		714,923					

	YTD WA ERM Company Bands 186010	YTD Contra Account 186020	GL Impact	YTD WA ERM Company Bands 186010	YTD Contra Account 186020	GL Impact	YTD WA ERM Company Bands 186010	YTD Contra Account 186020	GL Impact	YTD WA ERM Company Bands 186010	YTD Contra Account 186020	GL Impact
2006 Requirement												
Band 1 \$4,000,000	(\$2,601,664)	\$2,601,664	\$0	2006 50/50 Sharing \$4M - \$10M Band 2 <=/=	\$3,000,000					2006 90/10 Sharing > \$10M Band 3		
Jan-07 Reverse 2006	\$2,601,664	(\$2,601,664)	\$0									
2007 Requirement												
Band 1 \$4,000,000				2007 50/50 Sharing \$4M - \$10M Band 2 <=/=	\$3,000,000					2007 90/10 Sharing > \$10M Band 3		
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	\$10,299							
02-28-2007 Balance	\$4,000,000	(\$4,000,000)	\$0	Balance	\$10,299							\$0
Mar-07 Activity	(\$795,037)	\$795,037		Activity	(\$10,299)					Activity	\$0	
03-31-2007 Balance	\$3,204,963	(\$3,204,963)	\$0	Balance	\$0					Balance	\$0	\$0
Apr-07 Activity	(\$750,828)	\$750,828		Activity	\$0					Activity	\$0	
04-30-2007 Balance	\$2,454,135	(\$2,454,135)	\$0	Balance	\$0					Balance	\$0	\$0
May-07 Activity	(\$126,272)	\$126,272		Activity	\$0					Activity	\$0	
05-31-2007 Balance	\$2,327,863	(\$2,327,863)	\$0	Balance	\$0					Balance	\$0	\$0
Jun-07 Activity	\$71,337	(\$71,337)		Activity	\$0					Activity	\$0	
06-30-2007 Balance	\$2,399,200	(\$2,399,200)	\$0	Balance	\$0					Balance	\$0	\$0
Jul-07 Activity	\$1,600,800	(\$1,600,800)		Activity	\$1,800,230					Activity	\$0	
07-31-2007 Balance	\$4,000,000	(\$4,000,000)	\$0	Balance	\$1,800,230					Balance	\$0	\$0
Aug-07 Activity	\$0	\$0		Activity	\$1,199,770					Activity	\$0	
08-31-2007 Balance	\$4,000,000	(\$4,000,000)	\$0	Balance	\$3,000,000					Balance	\$539,123	(\$539,123)
										Total company	\$7,539,123	(\$7,539,123)
										absorption YTD		



AVISTA CORPORATION  
 AUGUST 2007 WASHINGTON ELECTRIC SURCHARGE REVENUE & DEFERRAL AMORTIZATION

Schedule	Sch 1 Block Percent (a)	kWh or \$ (c)	Proration Percentages		Surcharge Rates		Current Month Surcharge Revenue Rate		Total (h)+(i)	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)	Before 1-Jan-06 (h)	On/After 1-Jan-06 (i)			
1 (0-600 kWh)	53.542%	100,768,240	0.00%	100.00%	0.405¢	0.446¢	\$0	\$449,426	\$449,426	0.956325	\$429,797
1 (601-1300 kWh)	31.699%	59,658,818	0.00%	100.00%	0.607¢	0.668¢	0	398,521	398,521	0.956325	381,116
1 (over 1300 kWh)	14.759%	27,777,043	0.00%	100.00%	0.853¢	0.938¢	0	260,549	260,549	0.956325	249,170
Total Sch 1	100.000%	188,204,101					0	1,108,496	1,108,496		1,060,083
11		32,119,332	0.00%	100.00%	0.788¢	0.867¢	0	278,475	278,475	0.956325	266,313
12		3,024,971	0.00%	100.00%	0.788¢	0.867¢	0	26,226	26,226	0.956325	25,081
21		134,778,192	0.00%	100.00%	0.549¢	0.604¢	0	814,060	814,060	0.956325	778,506
22		2,837,484	0.00%	100.00%	0.549¢	0.604¢	0	17,138	17,138	0.956325	16,389
25		81,388,947	0.00%	100.00%	0.352¢	0.387¢	0	314,975	314,975	0.956325	301,218
30		5,304,200	0.00%	100.00%	0.485¢	0.534¢	0	28,324	28,324	0.956325	27,087
31		18,305,357	0.00%	100.00%	0.485¢	0.534¢	0	97,751	97,751	0.956325	93,482
32		2,561,505	0.00%	100.00%	0.485¢	0.534¢	0	13,678	13,678	0.956325	13,081
41-46		\$297,173	0.00%	100.00%	109.78%	110.76%	0	28,869	28,869	0.956325	27,608
47		\$87,753	0.00%	100.00%	109.78%	110.76%	0	8,525	8,525	0.956325	8,153
48		\$60,402	0.00%	100.00%	109.78%	110.76%	0	5,868	5,868	0.956325	5,612
Schedule Totals		468,524,089					\$0	\$2,742,385	\$2,742,385		\$2,622,613
kWh not subject to surcharge											-35%
Sch 28		4,000									
Sch 41-48		2,218,289									
Total kWh		470,746,378									

**Electric Revenue Report by Revenue Class**  
**Current Month and Year-to-Date**  
**for Accounting Period : 200708 , State Code : WA**

Accounting Period: 200708   State Code: WA
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	Meters	Usage	Revenue Amt	YTD Average Meters	Ytd Usage	Ytd Revenue Amt
Rate Schedule Num						
001	195,635	188,204,101	12,662,855	195,845	1,611,120,982	102,419,244
011	18,934	32,119,332	2,984,712	18,895	249,775,169	23,123,227
012	7,517	3,024,971	312,985	7,444	29,698,884	2,860,485
021	3,201	134,778,192	9,354,379	3,212	1,016,619,670	71,020,203
022	70	2,837,484	196,213	71	23,725,126	1,539,645
025	22	81,388,947	3,736,302	22	620,538,981	28,629,766
028	1	4,000	16,750	1	169,890	153,088
030	36	5,304,200	284,233	36	16,735,760	898,271
031	1,088	18,305,357	1,097,134	1,061	63,813,974	3,948,260
032	1,146	2,561,505	163,154	1,134	8,347,163	556,741
041	11	8,720	1,520	11	69,760	12,163
042	254	1,103,746	274,134	253	8,777,816	2,180,641
044	13	22,566	2,155	14	177,371	17,006
045	4	87,857	4,985	5	714,516	40,579
046	18	187,386	14,379	17	1,488,090	114,256
047	0	501,388	87,753	0	3,999,200	698,229
048	0	306,626	60,402	0	2,474,712	476,429
058	0	0	1,118,143	0	0	8,427,033
058A	0	0	-5,191	0	0	-57,698

**Electric Revenue Report by Revenue Class**  
**Current Month and Year-to-Date**  
 for Accounting Period : 200708 , State Code : WA

Accounting Period: 200708   State Code: WA
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	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	32
095	0	0	14,305	0	0	109,351
099	0	0	66,094	0	0	464,970
Total WA	227,950	470,746,378	32,447,400	228,020	3,658,247,064	247,631,920
Total WA	227,950	470,746,378	32,447,400	228,020	3,658,247,064	247,631,920

Line No.	Description	W VGTON POWER COST DEFERRALS												Actual		PM sw	Actual																																																																								
		Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07																																																																												
1	555 Purchased Power	\$127,392,329	\$15,556,430	\$16,229,490	\$14,958,880	\$13,780,783	\$11,917,904	\$16,920,847	\$20,005,591																																																																																
2	501 Thermal Fuel	\$16,076,383	\$2,644,843	\$2,003,296	\$1,571,643	\$2,063,412	\$1,491,073	\$1,718,138	\$2,478,030	\$2,105,948																																																																															
3	547 CT Fuel	\$55,436,366	\$12,074,935	\$11,596,669	\$4,239,767	\$1,789,184	\$4,321,264	\$9,802,658	\$10,755,686																																																																																
4	447 Sale for Resale	\$(101,898,885)	\$(11,760,278)	\$(13,825,329)	\$(14,134,288)	\$(16,281,872)	\$(14,872,488)	\$(11,589,415)	\$(9,017,630)																																																																																
5	Actual Net Expense	\$97,006,213	\$17,396,117	\$8,215,571	\$3,744,227	\$779,168	\$3,084,818	\$17,612,120	\$23,849,595																																																																																
6	456100/700 Transmission Revenue	\$ (7,667,069)	\$ (771,135)	\$ (869,317)	\$ (1,085,918)	\$ (970,024)	\$ (1,104,550)	\$ (1,194,621)	\$ (931,023)																																																																																
7	565 Transmission Expense	\$9,073,269	\$1,146,469	\$1,039,109	\$1,013,095	\$1,017,312	\$1,095,080	\$1,304,968	\$1,378,753																																																																																
8	557170 Broker Fees	\$ 34,859	\$ 6,870	\$ 2,285	\$ 5,491	\$ 5,166	\$ 4,451	\$ 3,795	\$ 3,806																																																																																
9	Less Pottlatch 62 aMW directly to ID	\$(13,184,552)	\$(1,719,075)	\$(1,544,347)	\$(1,112,014)	\$(1,640,274)	\$(1,692,336)	\$(1,723,195)	\$(1,846,290)	\$(1,907,021)																																																																															
10	Adjusted Actual Net Expense	\$85,262,720	\$20,946,519	\$16,233,974	\$7,275,634	\$2,036,621	\$1,356,604	\$15,879,972	\$22,394,110																																																																																
<b>AUTHORIZED NET EXPENSE-SYSTEM</b>																																																																																									
11	555 Purchased Power	\$78,312,672	\$11,193,778	\$7,844,080	\$5,646,977	\$3,919,404	\$3,947,698	\$4,611,314	\$6,114,915	\$7,038,560	\$6,475,870	\$6,922,384	\$9,429,894																																																																												
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	\$1,715,360	\$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	\$8,212,014	\$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)	\$(1,492,368)	\$(2,440,168)	\$(5,554,272)	\$(3,350,298)																																																																												
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	\$ (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)	\$(861,257)	\$(853,900)	\$(853,565)	\$(853,205)																																																																												
17	565 Transmission Expense	\$13,307,162	\$1,132,836	\$1,106,210	\$1,097,845	\$1,091,385	\$1,084,823	\$1,107,276	\$1,095,400	\$1,091,132	\$1,164,092	\$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	\$ 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)	\$(7,000)																																																																												
20	Authorized Net Expense	\$108,026,038	\$16,591,741	\$10,317,281	\$10,026,168	\$3,859,759	\$(1,518,676)	\$2,433,035	\$3,048,140	\$10,667,439	\$15,703,250	\$15,128,297	\$10,719,939	\$15,915,735																																																																											
21	Actual - Authorized Net Expense	\$(22,763,318)	\$ 4,354,778	\$ 5,916,693	\$(2,750,534)	\$(1,823,138)	\$ 657,962	\$ 3,789,639	\$12,831,832	\$11,728,671	\$(15,703,250)	\$(15,128,297)	\$(10,719,939)	\$(15,915,735)																																																																											
22	557 Resource Optimization	\$ 3,529,371	\$ 553,465	\$ 193,272	\$ 2,050,028	\$ 16,770	\$ 31,219	\$ 35,948	\$ 296,186	\$ 352,483																																																																															
23	Adjusted Net Expense	\$(19,233,947)	\$ 4,908,243	\$ 6,109,965	\$(700,506)	\$(1,806,368)	\$ 689,181	\$ 3,825,587	\$13,128,018	\$12,079,154	\$(15,703,250)	\$(15,128,297)	\$(10,719,939)	\$(15,915,735)																																																																											
24	Washington Alloc. @ 65.16%	\$(12,532,840)	\$3,198,211	\$3,981,253	\$(456,450)	\$(1,177,029)	\$449,070	\$2,492,752	\$8,554,217	\$7,870,777	\$(10,232,238)	\$(9,857,598)	\$(6,985,112)	\$(10,370,693)																																																																											
25	WA Retail Revenue Adjustment	\$ (9,521,570)	\$(2,486,855)	\$(672,011)	\$(359,185)	\$(575,342)	\$(2,421,415)	\$(3,352,958)	\$(80,005)																																																																																
26	Net Power Cost Increase (Decrease)	\$ 15,391,231	\$711,356	\$3,309,242	\$(815,635)	\$(126,272)	\$71,337	\$5,201,259	\$7,790,772																																																																																
27	Cumulative Balance	\$711,356	\$4,020,598	\$3,204,963	\$2,454,135	\$2,327,863	\$2,399,200	\$7,600,459	\$15,391,231																																																																																
<input type="checkbox"/> Input: 10,000,000 and up <input type="checkbox"/> Input: 4,000,000 to \$10M <input type="checkbox"/> Input: 0 to \$4M <input type="checkbox"/> check #-should be zero																																																																																									
<table border="0"> <tr> <td>Deferral Amount, Cumulative</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>\$5,391,231</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>Deferral Amount, Monthly</td> <td>\$0</td> <td>\$20,598</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> <td>\$3,600,459</td> <td>\$6,000,000</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>Account 557 for Budget</td> <td>\$0</td> <td>\$711,356</td> <td>\$4,000,000</td> <td>\$3,204,963</td> <td>\$2,454,135</td> <td>\$2,327,863</td> <td>\$2,399,200</td> <td>\$4,000,000</td> <td>\$4,000,000</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>Company Band Gross Margin Impact, Cumulative</td> <td>\$711,356</td> <td>\$4,010,299</td> <td>\$3,204,963</td> <td>\$2,454,135</td> <td>\$2,327,863</td> <td>\$2,399,200</td> <td>\$5,800,230</td> <td>\$7,539,123</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> </table>																		Deferral Amount, Cumulative	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,391,231	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Deferral Amount, Monthly	\$0	\$20,598	\$0	\$0	\$0	\$0	\$0	\$3,600,459	\$6,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Account 557 for Budget	\$0	\$711,356	\$4,000,000	\$3,204,963	\$2,454,135	\$2,327,863	\$2,399,200	\$4,000,000	\$4,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Company Band Gross Margin Impact, Cumulative	\$711,356	\$4,010,299	\$3,204,963	\$2,454,135	\$2,327,863	\$2,399,200	\$5,800,230	\$7,539,123	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferral Amount, Cumulative	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,391,231	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0																																																																								
Deferral Amount, Monthly	\$0	\$20,598	\$0	\$0	\$0	\$0	\$0	\$3,600,459	\$6,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0																																																																								
Account 557 for Budget	\$0	\$711,356	\$4,000,000	\$3,204,963	\$2,454,135	\$2,327,863	\$2,399,200	\$4,000,000	\$4,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0																																																																								
Company Band Gross Margin Impact, Cumulative	\$711,356	\$4,010,299	\$3,204,963	\$2,454,135	\$2,327,863	\$2,399,200	\$5,800,230	\$7,539,123	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0																																																																								

Avista Utilities  
System Power Supply Expenses  
WASHINGTON DEFERRED POWER COST CALCULATION

ACTUALS

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
555 PURCHASED POWER													
1 Short-Term Purchases	8,652,454	6,571,869	8,230,577	6,771,065	6,347,138	4,336,456	9,673,204	13,140,861					63,723,624
2 PGE CS2 1/2 Exchange	130,200	117,600	130,200	125,825	130,200	126,000	130,200	130,200					1,020,425
3 Northwestern Load Following	129,685	124,852	97,261	100,813	20,333	43,535	75,349	134,263					726,091
4 Priest Rapids	741,090	716,290	728,055	842,759	867,306	777,699	855,858	670,248					6,199,305
5 Rocky Reach	122,918	109,016	109,016	199,093	157,124	461,759	124,793	142,374					1,426,093
6 Wanapum	354,389	354,389	354,389	531,285	354,389	354,389	354,389	354,389					3,012,008
7 Wells	112,559	112,559	112,559	112,559	112,559	112,559	112,559	112,559					900,472
8 Black Creek Index Purchase								0					
9 Deer Lake-IP&L	802	809	893	502	764	502	408	676					5,356
10 Small Power	106,710	128,982	137,852	135,974	123,589	114,229	71,257	33,272					851,865
11 Spokane-Upriver	340,250	261,738	251,160	247,091	280,255	107,254	0						1,487,748
12 WNP-3 (1)	2,451,882	2,215,518	1,210,478	1,172,379									7,050,257
13 Non-Mon. Accruals	-107,866	42,009	147,812	(112,548)	(93,211)	62,119	212,857	(239,635)					(88,463)
14 MS #17189	576,600	520,800	575,825	558,000	576,600	558,000	576,600	576,600					4,519,025
15 MS #17633	572,880	517,440	572,110	554,400	572,880	554,400	572,880	572,880					4,489,870
16 MS #19537	565,440	510,720	564,680	547,200	565,440	547,200	565,440	565,440					4,431,560
17 BPEGY #102182	641,700	579,600	640,838	621,000	641,700	621,000	641,700	641,700					5,029,238
18 Sitmon Lumber	174,384	169,567	149,938	144,133	145,515	124,128	131,286	196,201					1,237,152
19 Polilatch 62 aMW Purch	1,719,075	1,544,347	1,112,014	1,640,274	1,692,336	1,723,195	1,846,290	1,907,021					13,184,552
20 Douglas Capacity	57,000	81,250	142,500	142,500	142,500	171,000	171,000	171,000					1,078,750
21 BPA NT deviation energy	168,122	338,491	350,821	152,070	172,837	114,850	183,550	272,835					1,753,576
22 PPM Wind Power	216,337	283,123	285,659	279,792	270,519	304,908	229,715	255,604					2,125,657
23 M.C./S.F. LOSSES			1,904	31,983	46,587	44,750	54,105	47,430					226,759
24 Seattle Capacity	189,100	170,800	189,100		0	0	189,100	189,100					927,200
25 Douglas Settlement #107240	39,114	25,270	79,787	107,508	122,624	107,773	90,818	74,956					647,850
26 BPA Spin Reserve					480,000	500,000							980,000
27 WPM Ancillary Services	67,579	59,391	54,062	53,223	50,799	50,199	57,489	53,617					446,359
28 Total Account 555	18,022,404	15,556,430	16,229,490	14,958,880	13,780,783	11,917,904	16,920,847	20,005,591					127,392,329

(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 Short-Term Sales	6,015,292	7,777,539	10,463,311	10,406,027	12,243,118	10,884,904	7,126,474	4,639,887					69,556,552
30 Peaker LLC/PGE Cap Sale	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000					1,200,000
31 Sovereign/Kaiser Load Following	51,244	6,848	8,526	7,669	78,829	23,127	7,616	35,865					219,724
32 Pend Oreille DES	48,748	29,778	40,781	77,092	80,669	34,640	60,378	36,136					438,222
33 Nichols Pumping Index Sale	257,051	201,152	140,540	192,754	187,695	229,404	273,940	267,358					1,749,894
34 Enron/PGE Cap Fee, employee svcs	(5,096)	(4,030)	(3,804)	(5,098)	(3,903)	(4,098)	(8,871)						(34,900)
35 Northwestern Load Following	278,590	255,391	231,199	242,269	171,958	170,746	267,071	296,320					1,915,544
36 BPA NT deviation energy rev	224,279	140,367	84,739	111,655	121,427	145,508	182,169	100,875					1,111,019
37 SMUD 50 + 25	3,329,898	3,143,842	2,623,241	2,901,431	3,201,280	3,188,058	3,473,149	3,435,572					25,296,471
38 Merchant Ancillary Services	67,579	59,391	56,796	50,489	50,799	50,199	57,489	53,617					446,359
39 Total Account 447	10,417,585	11,760,278	13,825,329	14,134,288	16,281,872	14,872,488	11,589,415	9,017,630					101,898,885

Deferral Report  
Month of August '07  
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Avista Utilities  
System Power Supply Expenses  
WASHINGTON DEFERRED POWER COST CALCULATION

ACTUALS

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
<u>501 FUEL-DOLLARS</u>													
40		886,816	281,428	738,842	599,100	580,210	788,441	338,281					5,222,768
41	1,009,650	1,089,134	1,271,756	1,273,441	847,431	1,131,313	1,633,699	1,758,534					10,581,111
42	2,585,453	1,975,950	1,553,184	2,012,283	1,446,531	1,711,523	2,422,140	2,096,815					15,803,879
43	5,345	1,849	445	6,758	2,368	1,863	2,374	8,135					29,137
44	54,045	25,497	18,014	44,371	42,174	4,752	53,516	998					243,367
45	59,390	27,346	18,459	51,129	44,542	6,615	55,890	9,133					272,504
46	2,644,843	2,003,296	1,571,643	2,063,412	1,491,073	1,718,138	2,478,030	2,105,948					16,076,383
<u>501 FUEL-TONS</u>													
47	54,932	50,926	35,929	42,767	33,936	19,036	43,054	17,340					297,920
48	99,408	88,457	85,818	83,354	47,674	70,742	102,756	93,681					671,890
<u>501 FUEL-COST PER TON</u>													
49	wood \$	18.38	\$ 17.41	\$ 7.83	\$ 17.28	\$ 17.65	\$ 30.48	\$ 18.31	\$ 19.51				\$ 17.53
50	coal \$	15.85	\$ 12.31	\$ 14.82	\$ 15.28	\$ 17.78	\$ 15.99	\$ 15.90	\$ 18.77				\$ 15.75
<u>547 FUEL</u>													
51	NE Combustion Turbine Gas/Oil	6,119	597	258	(45)	5,072	9,344	2,801	204,506				228,652
52	Boulder Park	91,277	20,171	4,166	75,463	49,698	46,887	190,679	495,060				973,401
53	Kettle Falls CT	1,978	113	-	1,192	(70)	(43)	15,163	37,778				56,111
54	Coyote Springs2	11,729,516	11,543,942	4,199,187	558,529	1,645,459	4,214,959	9,465,520	9,514,353				52,871,465
55	Rathrum Fuel Exp	246,045	31,846	36,156	221,084	89,025	50,117	128,495	503,989				1,306,757
56	Total Account 547	12,074,935	11,596,669	4,239,767	856,223	1,789,184	4,321,264	10,755,686					55,436,386
57	<b>TOTAL NET EXPENSE</b>	<b>22,324,597</b>	<b>17,396,117</b>	<b>8,215,571</b>	<b>3,744,227</b>	<b>779,168</b>	<b>3,084,818</b>	<b>17,612,120</b>	<b>23,649,595</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>97,006,213</b>

AVISTA UTILITIES  
 Washington Electric Jurisdiction  
 Energy Recovery Mechanism Revenue Credit  
 Month of August 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	414,682,469	470,746,378	406,298,564	433,131,839	463,146,866	480,633,226	5,154,112,149
Deduct Prior Month Unbilled kWhs	(353,051,283)	(357,527,990)	(300,504,629)	(292,131,379)	(271,237,441)	(269,502,816)	(271,018,987)	(329,210,182)					(2,444,184,707)
Add Current Month Unbilled kWhs	357,527,990	300,504,629	292,131,379	271,237,441	269,502,816	271,018,987	329,210,182	307,629,748					2,398,763,172
Washington Retail kWhs	545,083,839	483,826,405	448,599,480	403,206,830	393,781,748	416,287,619	472,873,664	449,165,944					3,612,825,529
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	85,643,290	1,784,104					241,923,875
WA Retail Revenue Credit (2)	\$2,478,350	\$663,534	\$346,906	(\$436,640)	\$564,872	\$2,410,976	\$3,342,658	\$69,634	\$0	\$0	\$0	\$0	\$9,442,289
Net Wind Revenue Credit	\$8,505	\$8,477	\$10,279	\$10,439	\$10,470	\$10,439	\$10,300	\$10,371	\$0	\$0	\$0	\$0	\$79,280
<b>Total Revenue Credit</b>	<b>\$2,486,855</b>	<b>\$672,011</b>	<b>\$359,185</b>	<b>(\$426,201)</b>	<b>\$575,342</b>	<b>\$2,421,415</b>	<b>\$3,352,958</b>	<b>\$80,005</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$9,521,569</b>

(1) from Exhibit No. 185 (WGJ-5) in Docket No. UE-050482 and Exhibit No. (WGU-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	\$14,206.91	\$14,305.11	\$0.00	\$0.00	\$0.00	\$0.00	\$109,351.09
Deduct Admin Expense	\$3,225.85	\$3,215.48	\$3,898.85	\$3,959.65	\$3,971.21	\$3,959.71	\$3,906.90	\$3,933.91	\$0.00	\$0.00	\$0.00	\$0.00	\$30,071.55
<b>0.005 x 55 = 0.275 per Revenue \$</b>													
Net Wind Revenue Credit	\$8,504.51	\$8,477.17	\$10,278.78	\$10,439.08	\$10,469.55	\$10,439.23	\$10,300.01	\$10,371.20	\$0.00	\$0.00	\$0.00	\$0.00	\$79,279.54