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STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

March 11, 2008

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, February 2008

Dear Ms. Washburn:

Enclosed are an original and five copies of Avista Corporation's Power Cost Deferral Report for the month of February 2008. The report includes the monthly energy recovery mechanism (ERM) accounting journal together with backup workpapers. In February actual net power costs were higher than authorized costs by \$2,500,830. No deferral was recorded as the entire amount was applied against the 2008 deadband.

Actual power supply expense was higher than the authorized level primarily due to lower than authorized hydro generation and higher market power prices. Hydro generation was 126 aMW below the authorized level. The average market purchase price was \$67.32/MWh and the average market sales price was \$68.23/MWh.

Coyote Springs 2 generated 128 aMW above the authorized level. Other gas fired resources generated 1 aMW above the authorized level due to economics. Colstrip and Kettle Falls generated 10 aMW above and 1 aMW below the authorized levels, respectively. Net transmission expense (transmission expense less transmission revenue) was above the authorized level. Washington retail sales were 8 aMW above the authorized level.

In February 2008 the deferral balance decreased by \$3,117,041. The January deferral was zero, interest amounted to \$227,418 and amortization amounted to -\$3,344,459. The actual deferral balance at the end of February is \$52.3 million. The deferral balance would reach zero in the November-December 2009 timeframe based on the following assumptions:

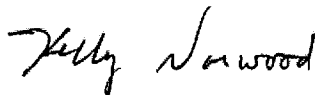
1. No deferrals projected in 2008.
2. Forecasted amortizations of approximately \$31 million annually assuming no change in the existing surcharge rate.

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.

There were no forward long-term contracts of one year or longer entered into in the month of February 2008. 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

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

MONTH OF FEBRUARY 2008

Avista Corporation Journal Entry

Effective Date: 200802

Journal: 481-WA ERM

Team: Resource Accounting

Type: C



Category: DJ

Last Saved by: Lori Hamilton

Submitted by: Lori Hamilton

Last Saved: 03/06/2008 2:02 PM

Seq.	Co.#	FERC	Ser.	Jur.	S.I.	Debit	Credit	Comment
10	001	557290 - WA ERM AMORTIZATION	ED	WA	DL	3,344,459.00		WA ERM surcharge amortization
20	001	182350 - REGULATORY ASSET ERM APPROVED FOR F	ED	WA	DL		3,344,459.00	WA ERM authorized for recovery
30	001	557280 - DEFERRED POWER SUPPLY EXPENSE	ED	WA	DL		0.00	WA ERM current month deferral
40	001	186280 - REGULATORY ASSET ERM DEFERRED CURF	ED	WA	DL	0.00		WA ERM current year deferral
50	001	182350 - REGULATORY ASSET ERM APPROVED FOR F	ED	WA	DL	157,072.00		Accrue interest on deferral balance authorized for recovery
60	001	186280 - REGULATORY ASSET ERM DEFERRED CURF	ED	WA	DL	0.00		Accrue interest on current year deferral balance
70	001	186290 - REGULATORY ASSET ERM DEFERRED LAST	ED	WA	DL	70,346.00		Accrue interest on previous year deferral balance
80	001	419600 - INTEREST ON ENERGY DEFERRALS	ED	WA	DL	227,418.00		Non-utility interest income
90	001	410100 - PRV DFIT DR	ED	WA	DL	1,170,561.00		DFIT entry for power supply deferral and surcharge amortization
100	001	410200 - DFIT EXP-NONOPER (DR)	ZZ	ZZ	DL	79,596.00		Non-op DFIT entry for interest income
110	001	283280 - ADFIT ERM	ED	WA	DL	1,090,965.00		ADFIT WA ERM current and prior years
120	001	186010 - REGULATORY ASSET ERM 100% COMPANY	ED	WA	DL	2,500,830.00		Track 100% company band accumulation
130	001	186020 - REGULATORY ASSET ERM 100% CONTRA	ED	WA	DL		2,500,830.00	Contra account for 100% company band accumulation
TOTALS:						7,243,268.00	7,243,268.00	


 Prepared by Lori Hamilton
 Date: 3/6/08

 Reviewed by
 Date: 3/6/08

Explanation:

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

Approved for Entry _____ Date _____
 Corporate Accounting use Only

Detail Balances (AVA CORP) - 001.186280.ED.WA.DL					
Balance Type: Actual			Currency Type: Entered		
			Factor: Units		
Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200713	USD	0.00		16,564,895.00	
200801	USD	16,564,895.00		0.00	
200802	USD	0.00		0.00	

Journal Details Summary Balances

ERM Deferral Balance (Current Year - 2008)		
Account 186280.ED.WA		
	<u>Amount</u>	<u>Journal ID</u>
Balance 1/31/08	\$0.00	
Deferral	\$0.00	481 - WA ERM
Interest	0.00	481 - WA ERM
Balance 2/29/08	<u>\$0.00</u>	
Year to date deferrals	\$0.00	
Year to date interest	<u>0.00</u>	
Balance in account	<u>\$0.00</u>	

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
200713	USD	0.00		0.00	
200801	USD	16,635,241.00		16,635,241.00	
200802	USD	70,346.00		16,705,587.00	

Journal Details Summary Balances

ERM Deferral Balance (Prior year - 2007)

	<u>Amount</u>	<u>Journal ID</u>
Account 186290.ED.WA		
Balance 1/31/08	\$16,635,241.00	
Interest	70,346.00	481 - WA ERM
Balance 2/29/08	<u>\$16,705,587.00</u>	
 Deferrals	\$16,343,766.00	
Interest	361,821.00	
Balance in account	<u>\$16,705,587.00</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
200713	USD	0.00		41,958,847.65	
200801	USD	3,128,661.00		38,830,186.65	
200802	USD	3,187,387.00		35,642,799.65	

Journal Details Summary Balances

Recoverable Deferral Balance
Account 182350.ED.WA
 Balance 1/31/08
 Amortization
 Interest
 Balance 2/29/08

<u>Amount</u>	<u>Journal ID</u>
\$38,830,186.65	
-3,344,459.00	481 - WA ERM
157,072.00	481 - WA ERM
<u>\$35,642,799.65</u>	

Detail Balances (AWA CORP) - 001.186010.ED.WA.DL						
Balance Type: Actual			Currency Type: Entered			
			Factor: Units			
Period	Currency	PTD	PTD Converted	YTD	YTD Converted	
200713	USD	0.00		8,482,641.00		
200801	USD	7,542,532.00		940,109.00		
200802	USD	2,500,830.00		3,440,939.00		

ERM Deadband plus Amounts Absorbed
Account 186010.ED.WA

Balance 1/31/08
Current month entry
Balance 2/29/08

Amount	Journal ID
\$940,109.00	
2,500,830.00	481 - WA ERM
<u>\$3,440,939.00</u>	

	Total	Absorbed	Deferred
First \$4,000,000 at 100%	\$3,440,939.00	\$3,440,939.00	\$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	\$3,440,939.00	\$3,440,939.00	\$0.00

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
200713	USD	0.00		8,482,641.00	
200801	USD	7,542,532.00		940,109.00	
200802	USD	2,500,830.00		3,440,939.00	

Journal Details Summary Balances

ERM Deadband Contra Account
Account 186020.ED.WA

Balance 1/31/08
 Current month entry
 Balance 2/29/08

<u>Amount</u>	<u>Journal ID</u>
-\$940,109.00	
-2,500,830.00	481 - WA ERM
<u>-\$3,440,939.00</u>	

Detail Balances (AVA CORP) - 001.283280.ED.WA.DL

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

Period	Currency	PTD	PTD-Converted	YTD	YTD-Converted
200713	USD	0.00		20,483,309.00	
200801	USD	1,070,410.00		19,412,899.00	
200802	USD	1,090,965.00		18,321,934.00	

Journal Details Summary Balances

DFIT Associated with ERM Deferrals

Account 283280.ED.WA

Account 186280.ED.WA balance	\$0.00
Account 186290.ED.WA balance	16,705,587.00
Account 182350.ED.WA balance	35,642,799.65
Total	\$52,348,386.65
Federal income tax rate	-35%
Deferred FIT related to deferrals	-\$18,321,935
Rounding	1
Balance in account	-\$18,321,934

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 12/31/07 is 7.840%.				Actual cost of debt at 6/30/07 is 7.843%			
The monthly rate is:				0.00653 Before Tax		0.00653583 Before Tax	
				0.0042467 After Tax		0.0042483 After Tax	
				0.35 Tax rate		0.35 Tax rate	
Account 186280				2008 Interest			
12-31-2007	GL Balance including interest	\$16,564,895					
01-31-2008	GL Balance	(\$16,564,895)	Transfer to 186290				
01-31-2008	GL Balance	0					
				<u>January</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
January	ERM Deferral	0		Deferral	0	Operating	0
January	Interest		0	Interest	0	Nonoperating	0
01-31-2008	Balance before interest	0			0	Total	0
				<u>February</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
February	ERM Deferral	0		Deferral	0	Operating	0
February	Interest		0	Interest	0	Nonoperating	0
02-29-2008	Balance before interest	0			0	Total	0
				<u>GL Balance</u>	<u>Activity</u>	<u>GL Balance</u>	
	Net ERM Balance	0		<u>01-31-08</u>	<u>Feb-08</u>	<u>02-29-08</u>	
				0	0	0	
	ADFIT Balance	0					

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 12/31/07 is 7.840%.		0.00653 Before Tax		Actual cost of debt at 6/30/07 is 7.843%			
The monthly rate is:		0.0042467 After Tax		The monthly rate is:-		0.00653583 Before Tax	
		0.35 Tax rate				0.0042483 After Tax	
						0.35 Tax rate	
Account 186290		2008 Interest					
12-31-2007	GL Balance including interest	0					
01-31-2008	Transfer from 186280	\$16,564,895					
01-31-2008	GL Balance including interest	\$16,564,895		January		DFIT Expense	
						ADFIT	
January	Interest			70,346		Interest	
						24,621 Nonoperating (24,621)	
01-31-2008	Balance before interest	16,564,895				24,621 Total (24,621)	
				February		DFIT Expense	
						ADFIT	
February	Interest			70,346		Interest	
						24,621 Nonoperating (24,621)	
02-29-2008	Balance before interest	16,564,895				24,621 Total (24,621)	
	Net ERM Balance	16,705,587		GL Balance		GL Balance	
				01-31-08		Feb-08	
	ADFIT Balance	(5,846,955)		16,635,241		70,346	
						02-29-08	
						16,705,587	

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 12/31/07 is 7.840%.		Actual cost of debt at 6/30/07 is 7.843%				
The monthly rate is:		0.00653 Before Tax	The monthly rate is:-	0.00653583	Before Tax	
		0.0042467 After Tax		0.0042483	After Tax	
		0.35 Tax rate		0.35	Tax rate	
Account 182350		2008 Interest				
			<u>January</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
12-31-2007	GL Balance including interest	41,958,848	Amortization	(1,154,944)	Operating	1,154,944
January	Surcharge Amortization	(3,299,841)	Interest	59,913	Nonoperating	(59,913)
January	Interest			(1,095,031)	Total	1,095,031
01-31-2008	Balance before interest	38,659,007				
			<u>February</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
February	Surcharge Amortization	(3,344,459)	Amortization	(1,170,561)	Operating	1,170,561
February	Interest		Interest	54,975	Nonoperating	(54,975)
02-29-2008	Balance before interest	35,314,548		(1,115,586)	Total	1,115,586
			<u>GL Balance</u>	<u>Activity</u>		<u>GL Balance</u>
			<u>01-31-2008</u>	<u>Feb-08</u>		<u>02-29-2008</u>
	Net ERM Balance	35,642,800	38,830,187	(3,187,387)		35,642,800
	ADFIT Balance	(12,474,980)				

Tax Rate	35%	DJ481 LTD	DJ481 LTD	DJ481 LTD			DJ481 CUI	
	283280	283280	283280	283280			283280	283280
DJ481	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>							<u>BALANCE</u>
12-31-2007	(21,336,244)	(14,685,597)	(5,797,713)	0			(20,483,310)	852,935
01-31-2008	(20,483,309)	(13,590,565)	0	(5,822,334)			(19,412,899)	1,070,410
02-29-2008	(19,412,899)	(12,474,980)	0	(5,846,955)			(18,321,935)	1,090,964
			ADFIT				Interest	
		410100	410200	283280			182350	186280
								186290
01-31-2008	182350	(1,154,944)	59,913	1,095,031	171,180	0	70,346	(241,526)
	186280	0	0	0				
	186290	0	24,621	(24,621)				
Total		(1,154,944)	84,534	1,070,410				
02-29-2008	182350	(1,170,561)	54,975	1,115,586	157,072	0	70,346	(227,418)
	186280	0	0	0				
	186290	0	24,621	(24,621)				
Total		(1,170,561)	79,596	1,090,965				
Recon:	Total interest 2008		468,944					
	Calc non op DFIT 2008		164,130					
	Total 410200 2008		164,130					

AVISTA CORPORATION
 FEBRUARY 2008 WASHINGTON ELECTRIC SURCHARGE REVENUE & DEFERRAL AMORTIZATION

Schedule (a)	Sch 1 Block Percent (b)	kWh or \$ (c)	Proration Percentages		Surcharge Rates		Rate Before		Current Month Surcharge Revenue		Conversion Factor (k)	Deferral Amortization (l)	(j)*(k)
			Before 1-Jan-06 (d)	On/After 1-Jan-06 (e)	Before 1-Jan-06 (f)	On/After 1-Jan-06 (g)	1-Jan-06 (h)	On/After 1-Jan-06 (i)	On/After 1-Jan-06 (j)	Total (h)+(i)			
1 (0-600 kWh)	39.311%	111,052,415	0.00%	100.00%	0.405¢	0.446¢	\$0	\$495,294	\$495,294	0.956325	\$473,662		
1 (601-1300 kWh)	30.071%	84,949,688	0.00%	100.00%	0.607¢	0.668¢	0	567,464	567,464	0.956325	542,680		
1 (over 1300 kWh)	30.618%	86,494,946	0.00%	100.00%	0.853¢	0.938¢	0	811,323	811,323	0.956325	775,888		
Total Sch 1	100.000%	282,497,049					0	1,874,081	1,874,081		1,792,230		
11		38,313,062	0.00%	100.00%	0.788¢	0.867¢	0	332,174	332,174	0.956325	317,666		
12		5,468,138	0.00%	100.00%	0.788¢	0.867¢	0	47,409	47,409	0.956325	45,338		
21		139,268,900	0.00%	100.00%	0.549¢	0.604¢	0	841,184	841,184	0.956325	804,445		
22		4,000,888	0.00%	100.00%	0.549¢	0.604¢	0	24,165	24,165	0.956325	23,110		
25		81,180,012	0.00%	100.00%	0.352¢	0.387¢	0	314,167	314,167	0.956325	300,446		
30		3,880	0.00%	100.00%	0.485¢	0.534¢	0	21	21	0.956325	20		
31		3,633,062	0.00%	100.00%	0.485¢	0.534¢	0	19,401	19,401	0.956325	18,554		
32		413,707	0.00%	100.00%	0.485¢	0.534¢	0	2,209	2,209	0.956325	2,113		
41-46		\$327,337	0.00%	100.00%	9.78%	9.84%	0	28,351	28,351	0.956325	27,113		
47		\$96,180	0.00%	100.00%	9.78%	9.84%	0	8,330	8,330	0.956325	7,966		
48		\$65,892	0.00%	100.00%	9.78%	9.84%	0	5,707	5,707	0.956325	5,458		
Schedule Totals		554,778,698					\$0	\$3,497,199	\$3,497,199		\$3,344,459	Amortization	
kWh not subject to surcharge												-35%	
Sch 28		24,000											
Sch 41-48		2,217,372											
Total kWh		557,020,070											(\$1,170,561) DFIT Expense

Electric Revenue Report by Revenue Class
Current Month and Year-to-Date
 for Accounting Period : 200802 , State Code : WA

Accounting Period	200802	State Code	WA
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Rate Schedule Num	Meters	Usage	Revenue Amt	YTD Avg Meters	Ytd Usage	Ytd Revenue Amt
001	199,387	282,497,049	21,332,097	199,123	565,317,378	41,429,463
011	19,207	38,313,062	3,851,370	19,178	75,914,069	7,422,160
012	7,656	5,468,138	578,342	7,639	10,735,840	1,112,442
021	3,224	139,268,900	10,483,600	3,218	275,620,486	20,214,717
022	71	4,000,888	295,403	71	7,774,589	555,003
025	22	81,180,012	4,080,396	22	155,944,735	7,526,029
028	1	24,000	19,015	1	24,000	35,765
030	45	3,880	498	39	-13,300	-221
031	1,081	3,633,062	256,773	1,080	7,434,847	510,705
032	1,177	413,707	35,385	1,167	799,306	67,395
41	11	8,720	1,671	11	17,440	3,342
042	259	1,105,111	302,000	258	2,209,577	603,593
044	13	21,631	2,283	13	43,262	4,564
045	3	88,407	5,511	4	177,384	10,994
046	18	188,278	15,872	18	375,830	31,114
047	0	501,832	96,180	0	1,000,579	187,195
048	0	303,393	65,892	0	608,531	128,294
058	0	0	1,458,257	0	0	2,792,484
058A	0	0	-10,252	0	0	-20,373
063	0	0	0	0	0	0
090	0	0	4	0	0	8
095	0	0	13,876	0	0	27,774
099	0	0	49,969	0	0	96,161
Sum	232,175	557,020,070	42,934,142	231,840	1,103,984,553	82,738,606

WASHINGTON POWER COST DEFERRALS

Line No.	2008 WA Actual Deferrals.xlsWA summary WASHINGTON ACTUALS-2008	Actual Jan-08	Actual Feb-08	Actual Mar-08	Actual Apr-08	Actual May-08	Actual Jun-08	Actual Jul-08	Actual Aug-08	Actual Sep-08	Actual Oct-08	03-06-20 Actual Nov-08	PM sw Actual Dec-08
1	555 Purchased Power	\$40,010,908	\$ 21,249,348	\$ 18,761,560									
2	501 Thermal Fuel	\$5,244,184	\$ 2,580,856	\$ 2,663,328									
3	547 CT Fuel	\$22,424,088	\$ 11,557,553	\$ 10,866,535									
4	447 Sale for Resale	\$ (22,101,957)	\$ (10,257,852)	\$ (11,844,105)									
5	Actual Net Expense	\$45,577,223	\$ 25,129,905	\$ 20,447,318	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	456016/100700 Transmission Revenue	\$ (1,223,018)	\$ (704,392)	\$ (518,626)									
7	565 Transmission Expense	\$2,528,535	\$ 1,351,141	\$ 1,177,394									
8	557170 Broker Fees	\$ 14,316	\$ 4,507	\$ 9,809									
9	Less Pollatch 62 aMW directly to ID	\$ (3,219,172)	\$ (1,703,881)	\$ (1,515,291)									
10	Adjusted Actual Net Expense	\$43,677,884	\$ 24,077,280	\$ 19,600,604	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AUTHORIZED NET EXPENSE-SYSTEM													
11	555 Purchased Power	\$118,454,461	\$16,873,784	\$10,015,962	\$11,979,075	\$5,310,561	\$5,039,557	\$6,119,078	\$10,757,020	\$8,665,785	\$12,519,647	\$11,358,422	\$12,877,645
12	501 Thermal Fuel	\$24,772,212	\$ 2,324,182	\$ 2,195,481	\$2,306,191	\$978,477	\$1,076,887	\$2,266,701	\$2,342,250	\$2,275,764	\$2,348,297	\$2,289,837	\$ 2,337,481
13	547 CT Fuel	\$75,022,747	\$ 5,500,597	\$ 5,979,584	\$5,617,375	\$2,715,420	\$2,339,513	\$6,293,663	\$7,936,629	\$9,964,531	\$8,719,367	\$9,214,143	\$ 8,672,254
14	447 Sale for Resale	\$ (68,637,113)	\$ (1,823,694)	\$ (3,053,458)	\$ (2,201,112)	\$ (11,788,024)	\$ (10,761,577)	\$ (7,774,515)	\$ (2,261,396)	\$ (2,805,726)	\$ (2,270,716)	\$ (4,113,089)	\$ (2,671,351)
15	456100 Transmission Revenue	\$ (9,204,726)	\$ (712,626)	\$ (674,195)	\$ (774,215)	\$ (753,096)	\$ (1,135,807)	\$ (947,332)	\$ (863,299)	\$ (704,938)	\$ (668,279)	\$ (671,240)	\$ (659,543)
16	565 Transmission Expense	\$ 13,752,996	\$ 1,146,083	\$ 1,146,083	\$ 1,146,083	\$ 1,146,083	\$ 1,146,083	\$ 1,146,083	\$ 1,146,083	\$ 1,146,083	\$ 1,146,083	\$ 1,146,083	\$ 1,146,083
17	557 Broker Fees	\$ 92,004	\$ 7,667	\$ 7,667	\$ 7,667	\$ 7,667	\$ 7,667	\$ 7,667	\$ 7,667	\$ 7,667	\$ 7,667	\$ 7,667	\$ 7,667
18	Mark-to-Model Adjustment	\$ (697,180)	\$ (445,121)	\$ (195,951)	\$ (58,289)	\$ 34,070	\$ (363,539)	\$ 127,100	\$ 94,085	\$ 68,100	\$ 67,115	\$ (61,050)	\$ (203,515)
19	Authorized Net Expense	\$163,555,401	\$ 22,870,872	\$ 15,421,233	\$ 18,022,775	\$ 5,685,154	\$ (2,348,842)	\$ 7,238,445	\$ 19,159,039	\$ 17,617,266	\$ 21,869,181	\$ 19,164,773	\$ 21,506,721
20	Actual - Authorized Net Expense	\$ (119,877,517)	\$ 1,206,408	\$ 4,179,371	\$ (18,022,775)	\$ (5,685,154)	\$ 2,651,216	\$ (7,238,445)	\$ (19,159,039)	\$ (17,617,266)	\$ (21,869,181)	\$ (19,164,773)	\$ (21,506,721)
21	557 Resource Optimization	\$ 37,374	\$ 29,630	\$ 7,744									
22	Adjusted Net Expense	\$ (119,840,143)	\$ 1,236,038	\$ 4,187,115	\$ (18,022,775)	\$ (5,685,154)	\$ 2,651,216	\$ (7,238,445)	\$ (19,159,039)	\$ (17,617,266)	\$ (21,869,181)	\$ (19,164,773)	\$ (21,506,721)
23	Washington Alloc. @ 65.83%	\$ (79,890,765)	\$813,684	\$2,756,378	\$ (11,864,393)	\$1,546,243	\$1,745,295	\$ (4,765,068)	\$ (12,612,395)	\$ (11,597,446)	\$ (14,396,482)	\$ (14,616,170)	\$ (14,157,874)
24	WA Retail Revenue Adjustment	\$ (129,123)	\$126,425	\$ (825,548)									
25	Net Power Cost Increase (Decrease)	\$ -3,440,939	\$940,109	\$2,500,830	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26	Cumulative Balance		\$940,109	\$3,440,939	\$0	\$0	\$0	\$0	\$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%
50%
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

ACTUALS

Line No.	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	TOTAL 2008
555 PURCHASED POWER													
1	11,707,330	9,220,343											20,927,673
2	151,380	178,359											329,739
3	882,536	871,017											1,753,553
4	124,067	66,882											190,949
5	457,314	457,314											914,628
6	116,071	116,071											232,142
7	-	0											1,534
8	792	742											195,496
9	79,209	116,287											283,146
10	159,443	123,703											5,543,952
11	2,912,355	2,631,597											(456,606)
12	(615,229)	158,623											1,116,000
13	576,600	539,400											1,108,800
14	572,880	535,920											1,094,248
15	565,288	528,960											1,242,000
16	641,700	600,300											319,478
17	158,526	160,952											3,219,172
18	1,703,881	1,515,291											130,000
19	65,000	65,000											802,996
20	428,571	374,425											517,841
21	274,110	243,731											365,800
22	192,200	173,600											53,641
23	26,913	26,728											-
24	-	-											124,726
25	68,411	56,315											40,010,908
26	21,249,348	18,761,560	0	0	0	0	0	0	0	0	0	0	-

(1) Effective November, 2007, WNP-3 purchase expense has been adjusted to reflect the mid-point price, \$38.25/MWh for the 2007-08 contract year. per Settlement Agreement, Cause No. U-86-99

447 SALES FOR RESALE

27	4,259,411	6,591,790											10,851,201
28	150,000	150,000											300,000
29	10,628	12,160											22,788
30	38,937	34,967											73,904
31	277,449	250,009											527,458
32	(3,969)	(3,845)											(7,814)
33	616,718	555,338											1,172,056
34	308,207	183,433											491,640
35	4,532,060	4,013,938											8,545,998
36	68,411	56,315											124,726
37	10,257,852	11,844,105											22,101,957

Avista Utilities
System Power Supply Expenses
WASHINGTON DEFERRED POWER COST CALCULATION

\$
ACTUALS

Line No.	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	TOTAL 2008
<u>501 FUEL-DOLLARS</u>													
38	wood	872,100	923,943										1,796,043
39	coal	1,693,941	1,738,116										3,432,057
40	Total Coal & Wood	2,566,041	2,662,059	0									5,228,100
41	Kettle Falls GS	2,012	1,269										3,281
42	Colstrip	12,803	0										12,803
43	Total Oil & Gas	14,815	1,269	0									16,084
44	Total Account 501	2,580,856	2,663,328	0									5,244,184
<u>501 FUEL-TONS</u>													
45	Kettle Falls	44,035	47,683										91,718
46	Colstrip	102,698											102,698
<u>501 FUEL-COST PER TON</u>													
47	wood	\$ 19.80	\$ 19.38	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	\$ 19.58
48	coal	\$ 16.49	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	\$ 33.42
<u>547 FUEL</u>													
49	NE Combustion Turbine Gas/Oil	3,168	60,320										63,488
50	Boulder Park	427,640	52,113										479,753
51	Kettle Falls CT	108,578	19,666										128,244
52	Coyote Springs2	10,857,771	10,734,929										21,592,700
53	Rathdrum CT	160,396	(493)										159,903
54	Total Account 547	11,557,553	10,866,535										22,424,088
55	TOTAL NET EXPENSE	25,129,905	20,447,318	0	0	0	0	0	0	0	0	0	45,577,223

AVISTA UTILITIES
Washington Electric Jurisdiction
Energy Recovery Mechanism Revenue Credit
Month of February 2008

Description	January	February	March	April	May	June	July	August	September	October	November	December	YTD
Total WA kWhs per Rev Run	546,964,483	557,020,070											1,103,984,553
Deduct Prior Month Unbilled kWhs	(349,731,143)	(359,263,450)	(310,223,462)										(1,019,218,055)
Add Current Month Unbilled kWhs	359,263,450	310,223,462											669,486,912
Washington Retail kWhs	556,496,790	507,980,082	(310,223,462)										754,253,410
Test Year WA Retail Sales (1)	559,753,000	502,124,000	514,703,000	437,704,000	429,845,000	414,160,000	459,551,000	476,165,000	437,987,000	471,756,000	455,072,000	533,363,000	5,692,183,000

Difference from Test Year	(3,256,210)	5,856,082											2,599,872
WA Retail Revenue Credit (2)	0.04192	\$245,488	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$108,987
Net Wind Revenue Credit		\$10,076	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,136
Total Revenue Credit		\$255,548	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$129,123

(1) from Exhibit No. ____ (WGJ-5) in Docket No. UE-070804.

(2) Production and Transmission Retail Revenue Credit Rate per the Production Factor Calculation in the Settlement Agreement approved in Docket No. UE-070804.

Schedule 95 Wind Revenue	\$13,898.11	\$13,875.99											\$27,774.10
Deduct Admin Expense	\$3,021.98	\$3,815.90											\$7,637.88
0.005 x 55 = 0.275 per Revenue \$													
Net Wind Revenue Credit	\$10,076.13	\$10,060.09	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$20,136.22