

Avista Corp.
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Telephone 509-489-0500
Toll Free 800-727-9170



April 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, March 2008

Dear Ms. Washburn:

Enclosed are an original and five copies of Avista Corporation's Power Cost Deferral Report for the month of March 2008. The report includes the monthly energy recovery mechanism (ERM) accounting journal together with backup workpapers. In March actual net power costs were lower than authorized costs by \$26,147. No deferral was recorded as the entire amount was applied against the 2008 deadband.

Actual power supply expense was slightly lower than the authorized level due partly to higher generation and operating margins at Coyote Springs 2. Hydro generation was 17 aMW below the authorized level. The average market purchase price was \$71.60/MWh and the average market sales price was \$69.92/MWh.

Coyote Springs 2 generated 116 aMW above the authorized level. The average Coyote Springs 2 gas price was \$7.93/dth. Colstrip and Kettle Falls generated 16 aMW above and 6 aMW below the authorized levels, respectively. Net transmission expense (transmission expense less transmission revenue) was above the authorized level. Washington retail sales were 52 aMW below the authorized level.

In March 2008 the deferral balance decreased by \$2,439,465. The March deferral was zero, interest amounted to \$214,681 and amortization amounted to -\$2,654,146. The actual deferral balance at the end of March is \$49.9 million. The deferral balance would reach zero in the November-December 2009 timeframe based on the following assumptions:

1. No deferrals projected in 2008 or 2009.
2. Forecasted amortizations of approximately \$31 million annually assuming no change in the existing surcharge rate.

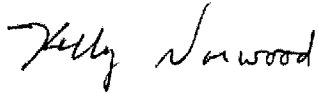
Interest is calculated pursuant to the Settlement Stipulation approved by the Commission's Fifth Supplemental Order in Docket No. UE-011595, dated June 18, 2002. Interest is applied to the average of the beginning and ending month deferral

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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 March 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 MARCH 2008

Avista Corporation Journal Entry

Effective Date: 200803

Journal: 481-WA ERM

Team: Resource Accounting

Type: C

Category: DJ

Last Saved by: Lori Hamilton

Last Saved: 04/07/2008 11:52 AM

Submitted by: Lori Hamilton

Seq.	Co.#	FERC	Ser.	Jur.	S.I.	Debit	Credit	Comment
10	001	557290 - WA ERM AMORTIZATION	ED	WA	DL	2,654,146.00		WA ERM surcharge amortization
20	001	182350 - REGULATORY ASSET ERM APPROVED FOR F	ED	WA	DL		2,654,146.00	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	144,335.00		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	214,681.00		Non-utility interest income
90	001	410100 - PRV DFIT DR	ED	WA	DL	928,951.00		DFIT entry for power supply deferral and surcharge amortization
100	001	410200 - DFIT EXP-NONOPER (DR)	ZZ	ZZ	DL	75,138.00		Non -op DFIT entry for interest income
110	001	283280 - ADFIT ERM	ED	WA	DL	853,813.00		ADFIT WA ERM current and prior years
120	001	186010 - REGULATORY ASSET ERM 100% COMPANY	ED	WA	DL		26,147.00	Track 100% company band accumulation
130	001	186020 - REGULATORY ASSET ERM 100% CONTRA	ED	WA	DL	26,147.00		Contra account for 100% company band accumulation
TOTALS:						3,823,925.00	3,823,925.00	

Explanation:

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

Lori Hamilton
 Prepared by Lori Hamilton
Dani Judge
 Reviewed by

4/7/08
Date
4/7/08
Date

 Approved for Entry
 Corporate Accounting use Only

Detail Balances (AWA 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		
200803	USD	0.00		0.00		

ERM Deferral Balance (Current Year - 2008)

Account 186280.ED.WA

Balance 2/29/08

Deferral

Interest

Balance 3/31/08

Year to date deferrals

Year to date interest

Balance in account

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

Detail Balances (AWA 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	
200803	USD	70,346.00		16,775,933.00	

Journal Details Summary Balances

ERM Deferral Balance (Prior year - 2007)

	Amount	Journal ID
Account 186290.ED.WA		
Balance 2/29/08	\$16,705,587.00	
Interest	70,346.00	481 - WA ERM
Balance 3/31/08	<u>\$16,775,933.00</u>	
Deferrals	\$16,343,766.00	
Interest	432,167.00	
Balance in account	<u>\$16,775,933.00</u>	

Detail Balances (AVA CORP) - 001.182350.ED.WA.DL					
Balance Type		Actual		Currency Type	Entered
				Factor	Units
Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200715	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	
200803	USD	2,509,811.00		33,132,988.65	

Recoverable Deferral Balance
Account 182350.ED.WA

	<u>Amount</u>	<u>Journal ID</u>
Balance 2/29/08	\$35,642,799.65	
Amortization	-2,654,146.00	481 - WA ERM
Interest	144,335.00	481 - WA ERM
Balance 3/31/08	\$33,132,988.65	

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	
200803	USD	26,147.00		3,414,792.00	

Journal Details Summary Balances

ERM Deadband plus Amounts Absorbed
Account 186010.ED.WA

	Amount	Journal ID
Balance 2/29/08	\$3,440,939.00	
Current month entry	-26,147.00	481 - WA ERM
Balance 3/31/08	<u>\$3,414,792.00</u>	

	Total	Absorbed	Deferred
First \$4,000,000 at 100%	\$3,414,792.00	\$3,414,792.00	\$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>\$3,414,792.00</u>	<u>\$3,414,792.00</u>	<u>\$0.00</u>

Detail Balances (AWA 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	
200803	USD	26,147.00		3,414,792.00	

Journal Details Summary Balances

ERM Deadband Contra Account
Account 186020.ED.WA
 Balance 2/29/08
 Current month entry
 Balance 3/31/08

Amount	Journal ID
-\$3,440,939.00	
26,147.00	481 - WA ERM
<u>-\$3,414,792.00</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	
200803	USD	853,813.00		17,468,121.00	

DFIT Associated with ERM Deferrals

Account 283280.ED.WA

Account 186280.ED.WA balance	\$0.00
Account 186290.ED.WA balance	16,775,933.00
Account 182350.ED.WA balance	33,132,988.65
Total	<u>\$49,908,921.65</u>
Federal income tax rate	-35%
Deferred FIT related to deferrals	<u>-\$17,468,123</u>
Rounding	2
Balance in account	<u><u>-\$17,468,121</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 12/31/07 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 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					
				January	DFIT Expense		ADFIT
January	ERM Deferral	0		Deferral	0	Operating	0
January	Interest	0	0	Interest	0	Nonoperating	0
01-31-2008	Balance before interest	0			0	Total	0
				February	DFIT Expense		ADFIT
February	ERM Deferral	0		Deferral	0	Operating	0
February	Interest	0	0	Interest	0	Nonoperating	0
02-29-2008	Balance before interest	0			0	Total	0
				March	DFIT Expense		ADFIT
March	ERM Deferral	0		Deferral	0	Operating	0
March	Interest	0	0	Interest	0	Nonoperating	0
03-31-2008	Balance before interest	0			0	Total	0
				GL Balance	Activity	GL Balance	
	Net ERM Balance	0		02-29-08	Mar-08	03-31-08	
				0	0	0	
	ADFIT Balance	0					

Changes Semiannually on January 1 and July 1 Beginning 7/1/02							
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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%		0.00653583 Before Tax	
The monthly rate is:		0.0042467 After Tax		The monthly rate is:-		0.0042483 After Tax	
		0.35 Tax rate				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		<u>January</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
January	Interest	70,346		Interest	24,621	Nonoperating	(24,621)
01-31-2008	Balance before interest	16,564,895			24,621	Total	(24,621)
				<u>February</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
February	Interest	70,346		Interest	24,621	Nonoperating	(24,621)
02-29-2008	Balance before interest	16,564,895			24,621	Total	(24,621)
				<u>March</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
March	Interest	70,346		Deferral	0	Operating	0
03-31-2008	Balance before interest	16,564,895		Interest	24,621	Nonoperating	(24,621)
					24,621	Total	(24,621)
	Net ERM Balance	16,775,933		GL Balance	Activity	GL Balance	
				02-29-08	Mar-08	03-31-08	
	ADFIT Balance	(5,871,577)		16,705,587	70,346	16,775,933	

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:				The monthly rate is:-		0.00653583
0.00653 Before Tax						Before Tax
0.0042467 After Tax						0.0042483 After Tax
0.35 Tax rate						0.35 Tax rate
Account 182350		2008 Interest				
12-31-2007	GL Balance including interest	41,958,848		<u>January</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
January	Surcharge Amortization	(3,299,841)		Amortization	(1,154,944)	Operating 1,154,944
January	Interest		171,180	Interest	59,913	Nonoperating (59,913)
01-31-2008	Balance before interest	38,659,007			(1,095,031)	Total 1,095,031
				<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		157,072	Interest	54,975	Nonoperating (54,975)
02-29-2008	Balance before interest	35,314,548			(1,115,586)	Total 1,115,586
				<u>March</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
March	Surcharge Amortization	(2,654,146)		Amortization	(928,951)	Operating 928,951
March	Interest		144,335	Interest	50,517	Nonoperating (50,517)
03-31-2008	Balance before interest	32,660,402			(878,434)	Total 878,434
				<u>GL Balance</u>	<u>Activity</u>	<u>GL Balance</u>
				02-29-2008	Mar-08	03-31-2008
	Net ERM Balance	33,132,989		35,642,800	(2,509,811)	33,132,989
	ADFIT Balance	(11,596,546)				

Tax Rate	35%	DJ481 LTD	DJ481 LTD	DJ481 LTD			DJ481 CURMO		
	283280	283280	283280	283280			283280	283280	
DJ481	BEGINNING	ADFIT	ADFIT	ADFIT			BALANCE	FOR ALL	
	BALANCE	182350	186280	186290			COMPONENTS	ACCOUNTS	
								BALANCE	
12-31-2007	(21,336,244)	(14,685,597)	(5,797,713)	0			(20,483,310)	852,935	(20,483,309)
01-31-2008	(20,483,309)	(13,590,565)	0	(5,822,334)			(19,412,899)	1,070,410	(19,412,899)
02-29-2008	(19,412,899)	(12,474,980)	0	(5,846,955)			(18,321,935)	1,090,964	(18,321,935)
03-31-2008	(18,321,934)	(11,596,546)	0	(5,871,577)			(17,468,123)	853,813	(17,468,121)
			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					
03-31-2008	182350	(928,951)	50,517	878,434	144,335	0	70,346		(214,681)
	186280	0	0	0					
	186290	0	24,621	(24,621)					
Total		(928,951)	75,138	853,813					
Recon:	Total interest 2008		683,625						
	Calc non op DFIT 2008		239,269						
	Total 410200 2008		239,268						

	YTD WA ERM Company Bands 186010	YTD WA ERM Contra Account 186020	GL Impact	YTD WA ERM Company Bands 186030	YTD WA ERM Contra Account 186035	GL Impact	YTD WA ERM Company Bands 186040	YTD WA ERM Contra Account 186045
2007 Requirement				2007 50/50 Sharing \$4M - \$10M Band 2 </=			2007 90/10 Sharing > \$10M Band 3	
Band 1 \$4,000,000	\$4,000,000	(\$4,000,000)		\$3,000,000	(\$3,000,000)		\$1,482,641	(\$1,482,641)
Jan-08 Reverse 2007	(\$4,000,000)	\$4,000,000		(\$3,000,000)	\$3,000,000		(\$1,482,641)	\$1,482,641
2008 Requirement				2008 50/50 Sharing \$4M - \$10M Band 2 </=			2008 90/10 Sharing > \$10M Band 3	
Band 1 \$4,000,000								
Jan-08 Activity	\$940,109	(\$940,109)						
01-31-2008 Balance	\$940,109	(\$940,109)	\$0					
Feb-08 Activity	\$2,500,830	(\$2,500,830)						
02-29-2008 Balance	\$3,440,939	(\$3,440,939)	\$0					
Mar-08 Activity	(\$26,147)	\$26,147		Activity			Activity	\$0
03-31-2008 Balance	\$3,414,792	(\$3,414,792)	\$0	Balance	\$0		Balance	\$0
					\$0	\$0		\$0
							Total company bands YTD	(\$3,414,792)

AVISTA CORPORATION
 MARCH 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) (l)*(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)		
			(d)	(e)	(f)	(g)	(c)*(d)*(f)	(c)*(e)*(g)	(j)			
1 (0-600 kWh)	48.568%	106,872,826	0.00%	100.00%	0.405¢	0.446¢	\$0	\$476,653	\$476,653	0.956325	\$455,835	
1 (601-1300 kWh)	30.716%	67,589,889	0.00%	100.00%	0.607¢	0.668¢	0	451,500	451,500	0.956325	431,781	
1 (over 1300 kWh)	20.716%	45,585,107	0.00%	100.00%	0.853¢	0.938¢	0	427,588	427,588	0.956325	408,913	
Total Sch 1	100.000%	220,047,822					0	1,355,741	1,355,741		1,296,529	
11		31,467,487	0.00%	100.00%	0.788¢	0.867¢	0	272,823	272,823	0.956325	260,907	
12		4,371,545	0.00%	100.00%	0.788¢	0.867¢	0	37,901	37,901	0.956325	36,246	
21		122,325,714	0.00%	100.00%	0.549¢	0.604¢	0	738,847	738,847	0.956325	706,578	
22		3,206,146	0.00%	100.00%	0.549¢	0.604¢	0	19,365	19,365	0.956325	18,519	
25		74,619,676	0.00%	100.00%	0.352¢	0.387¢	0	288,778	288,778	0.956325	276,166	
30		8,280	0.00%	100.00%	0.485¢	0.534¢	0	44	44	0.956325	42	
31		3,292,276	0.00%	100.00%	0.485¢	0.534¢	0	17,581	17,581	0.956325	16,813	
32		351,901	0.00%	100.00%	0.485¢	0.534¢	0	1,879	1,879	0.956325	1,797	
41-46		\$327,935	0.00%	100.00%	9.78%	9.84%	0	28,403	28,403	0.956325	27,162	
47		\$96,131	0.00%	100.00%	9.78%	9.84%	0	8,326	8,326	0.956325	7,962	
48		\$65,501	0.00%	100.00%	9.78%	9.84%	0	5,673	5,673	0.956325	5,425	
Schedule Totals		459,690,847					\$0	\$2,775,361	\$2,775,361		\$2,654,146	
												-35%
												(\$928,951) DFIT Expense
kWh not subject to surcharge												
Sch 28		338,000										
Sch 41-48		2,214,411										
Total kWh		462,243,258										

Electric Revenue Report by Revenue Class
Current Month and Year-to-Date
 for Accounting Period : 200803 , State Code : WA

Accounting Period	200803	State Code	WA
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Rate Schedule Num	Meters	Usage	Revenue Amt	YTD Avg Meters	Ytd Usage	Ytd Revenue Amt
001	199,145	220,047,822	16,342,999	199,130	785,365,200	57,772,462
011	19,144	31,467,487	3,208,519	19,166	107,381,556	10,630,679
012	7,648	4,371,545	473,242	7,642	15,107,385	1,585,684
021	3,244	122,325,714	9,379,671	3,227	397,946,200	29,594,388
022	70	3,206,146	240,852	71	10,980,735	795,855
025	22	74,619,676	3,787,969	22	230,564,411	11,313,997
028	1	338,000	53,313	1	362,000	89,078
030	37	8,280	710	38	-5,020	489
031	1,090	3,292,276	236,443	1,083	10,727,123	747,149
032	1,173	351,901	31,741	1,169	1,151,207	99,136
041	11	8,720	1,671	11	26,160	5,012
042	260	1,107,116	302,617	259	3,316,693	906,211
044	13	21,203	2,244	13	64,465	6,808
045	3	88,407	5,511	3	265,791	16,505
046	18	188,512	15,892	18	564,342	47,005
047	0	499,770	96,131	0	1,500,349	283,325
048	0	300,683	65,501	0	909,214	193,795
058	0	0	1,190,697	0	0	3,983,181
058A	0	0	-8,153	0	0	-28,525
063	0	0	0	0	0	0
090	0	0	4	0	0	12
095	0	0	14,031	0	0	41,805
099	0	0	58,320	0	0	154,481
Sum	231,879	462,243,258	35,499,926	231,853	1,566,227,811	118,238,532

INGTON POWER COST DEFERRALS

Line No.	2008 WA & IJ 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	Actual Nov-08	Actual Dec-08
1	555 Purchased Power	\$70,407,896	\$ 21,249,348	\$ 18,761,560	\$ 30,396,928								
2	501 Thermal Fuel	\$7,961,305	\$ 2,580,856	\$ 2,663,328	\$ 2,717,121								
3	547 CT Fuel	\$31,820,550	\$ 11,557,553	\$ 10,866,535	\$ 9,396,462								
4	447 Sale for Resale	\$(48,818,135)	\$(10,257,852)	\$(11,844,105)	\$(26,716,178)								
5	Actual Net Expense	\$61,371,556	\$ 25,129,905	\$ 20,447,318	\$ 15,794,333	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	456016/100/700 Transmission Revenue	\$(1,739,949)	\$(704,392)	\$(518,626)	\$(516,931)								
7	565 Transmission Expense	\$3,654,966	\$ 1,351,141	\$ 1,177,394	\$1,126,431								
8	557170 Broker Fees	\$ 26,589	\$ 4,507	\$ 9,809	\$ 12,273								
9	Less Pottlatch 62 atMW directly to ID	\$(4,827,084)	\$(1,703,881)	\$(1,515,291)	\$(1,607,912)								
10	Adjusted Actual Net Expense	\$58,486,078	\$ 24,077,280	\$ 19,600,604	\$ 14,808,194	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AUTHORIZED NET EXPENSE-SYSTEM													
11	555 Purchased Power	\$118,454,461	\$16,873,784	\$10,015,962	\$11,979,075	\$6,937,925	\$5,310,561	\$5,039,557	\$6,119,078	\$10,757,020	\$8,665,785	\$12,519,647	\$11,358,422
12	501 Thermal Fuel	\$24,772,212	\$ 2,324,182	\$ 2,195,481	\$2,306,191	\$2,036,664	\$978,477	\$1,076,887	\$2,266,701	\$2,342,250	\$2,275,764	\$2,348,297	\$2,283,837
13	547 CT Fuel	\$75,022,747	\$ 5,500,597	\$ 5,979,584	\$5,617,375	\$3,069,671	\$2,715,420	\$2,339,513	\$6,293,663	\$7,936,629	\$8,994,531	\$8,719,367	\$9,214,143
14	447 Sale for Resale	\$(58,637,113)	\$(1,823,694)	\$(3,053,458)	\$(2,201,112)	\$(7,112,455)	\$(11,788,024)	\$(10,761,577)	\$(7,774,515)	\$(2,261,396)	\$(2,905,726)	\$(2,270,716)	\$(4,113,089)
15	456100 Transmission Revenue	\$(9,204,726)	\$(712,626)	\$(674,135)	\$(774,215)	\$(640,216)	\$(753,096)	\$(1,135,807)	\$(947,332)	\$(863,299)	\$(704,938)	\$(668,279)	\$(671,240)
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)	299,815	34,070	\$(363,539)	127,100	94,085	68,100	67,115	\$(61,050)
19	Authorized Net Expense	\$163,555,401	\$ 22,870,872	\$ 15,421,233	\$ 18,022,775	\$ 5,685,154	\$(2,348,842)	\$(2,651,216)	\$ 7,238,445	\$ 19,159,039	\$ 17,617,266	\$ 21,869,181	\$ 19,164,773
20	Actual - Authorized Net Expense	\$(105,069,323)	\$ 1,206,408	\$ 4,179,371	\$(3,214,581)	\$(5,685,154)	\$ 2,348,842	\$ 2,651,216	\$(7,238,445)	\$(19,159,039)	\$(17,617,266)	\$(21,869,181)	\$(19,164,773)
21	557 Resource Optimization	\$ 772,504	\$ 29,630	\$ 7,744	\$ 735,130								
22	Adjusted Net Expense	\$(104,296,819)	\$ 1,236,038	\$ 4,187,115	\$(2,479,451)	\$(5,685,154)	\$ 2,348,842	\$ 2,651,216	\$(7,238,445)	\$(19,159,039)	\$(17,617,266)	\$(21,869,181)	\$(19,164,773)
23	Washington Alloc. @ 65.83%	\$(68,658,595)	\$813,684	\$2,756,378	\$(1,632,223)	\$(9,742,537)	\$1,546,243	\$1,745,295	\$(4,765,068)	\$(12,612,395)	\$(11,597,446)	\$(14,396,482)	\$(12,616,170)
24	WA Retail Revenue Adjustment	\$ 1,476,953	\$126,425	\$(255,548)	\$1,606,076								
25	Net Power Cost Increase (Decrease)	\$ 3,414,792	\$940,109	\$2,500,850	\$(26,147)								
26	Cumulative Balance	\$940,109	\$3,440,939	\$3,414,792									

input: 10,000,000 and up
input: 4,000,000 to \$10M
input: 0 to \$1M
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 Short-Term Purchases	11,707,330	9,220,343	21,533,250										42,460,923
2 Northwestern Load Following	151,380	178,359	204,918										534,657
3 Priest Rapids	882,536	871,017	869,662										2,623,215
4 Rocky Reach	124,067	66,882	114,000										304,949
5 Wanapum	457,314	457,314	457,314										1,371,942
6 Wells	116,071	116,071	116,071										348,213
7 Black Creek Index Purchase		0											2,210
8 Deer Lake-IP&L	792	742	676										338,312
9 Small Power	79,209	116,287	142,816										546,170
10 Spokane-Upriver	159,443	123,703	263,024										6,981,775
11 WNP-3 (1)	2,912,355	2,631,597	1,437,823										(358,829)
12 Non-Mon. Accruals	(615,229)	158,623	97,777										1,691,825
13 MS #17189	576,600	539,400	575,825										1,680,910
14 MS #17633	572,880	535,920	572,110										1,658,928
15 MS #19537	565,288	528,960	564,680										1,882,838
16 BPEGY #102182	641,700	600,300	640,838										469,401
17 Sltinson Lumber	158,526	160,952	149,923										4,827,084
18 Pollatch 62 aMW Purch	1,703,881	1,515,291	1,607,912										260,000
19 Douglas Capacity	65,000	65,000	130,000										1,040,067
20 BPA NT deviation energy	428,571	374,425	237,071										912,641
21 PPM Wind Power	274,110	243,731	394,800										558,000
22 Seattle Capacity	192,200	173,600	192,200										94,098
23 Douglas Settlement #107240	26,913	26,728	40,457										178,507
24 BPA Spin Reserve	68,411	56,315	53,781										70,407,836
25 WPM Ancillary Services	21,249,348	18,761,560	30,396,928										
26 Total Account 555				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

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
447 SALES FOR RESALE													
27 Short-Term Sales	4,259,411	6,591,790	20,913,319										31,764,520
28 Peaker LLC/PGE Cap Sale	150,000	150,000	150,000										450,000
29 Sovereign/Kaiser Load Following	10,628	12,160	116,996										139,784
30 Pend Oreille DES	38,937	34,967	30,009										103,913
31 Nichols Pumping Index Sale	277,449	250,009	325,237										852,695
32 Enron/PGE Cap Fee, employee svcs	(3,969)	(3,845)	(5,036)										(12,850)
33 Northwestern Load Following	616,718	555,338	577,445										1,749,501
34 BPA NT deviation energy rev	308,207	183,433	227,772										719,412
35 SMUD 50 + 25	4,532,060	4,013,938	4,326,655										12,872,653
36 Merchant Ancillary Services	68,411	56,315	53,781										178,507
37 Total Account 447	10,257,852	11,844,105	26,716,178										48,818,135

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 Kettle Falls	872,100	923,943	1,024,035										2,820,078
39 Colstrip	1,693,941	1,738,116	1,691,663										5,123,720
40 Total Coal & Wood	2,566,041	2,662,059	2,715,698										7,943,798
41 Kettle Falls GS	2,012	1,269	858										4,139
42 Colstrip	12,803	0	565										13,368
43 Total Oil & Gas	14,815	1,269	1,423										17,507
44 Total Account 501	2,580,856	2,663,328	2,717,121										7,961,305
<u>501 FUEL-TONS</u>													
45 Kettle Falls	44,035	47,683	52,849										144,567
46 Colstrip	102,698	98,215	104,690										305,603
<u>501 FUEL-COST PER TON</u>													
47 Kettle Falls	wood \$ 19.80	\$ 19.38	\$ 19.38	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	\$ 19.51
48 Colstrip	coal \$ 16.49	\$ 17.70	\$ 16.16	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	\$ 16.77
<u>547 FUEL</u>													
49 NE Combustion Turbine Gas/Oil	3,168	60,320	402										63,890
50 Boulder Park	427,640	52,113	12,877										492,630
51 Kettle Falls CT	108,578	19,666	19,133										147,377
52 Coyote Springs2	10,857,771	10,734,929	9,365,759										30,958,459
53 Flathead CT	160,396	(493)	(1,709)										158,194
54 Total Account 547	11,557,553	10,866,535	9,396,462										31,820,550
55 TOTAL NET EXPENSE	25,129,905	20,447,318	15,794,333	0	0	0	0	0	0	0	0	0	61,371,556

AVISTA UTILITIES
Washington Electric Jurisdiction
Energy Recovery Mechanism Revenue Credit
Month of March 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	462,243,258										1,566,227,811
Deduct Prior Month Unbilled kWhs	(349,731,143)	(359,263,450)	(310,223,462)	(324,127,882)									(1,343,345,937)
Add Current Month Unbilled kWhs	359,263,450	310,223,462	324,127,882										993,614,794
Washington Retail kWhs	556,496,790	507,980,082	476,147,678	(324,127,882)									1,216,496,668
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	5,692,163,000
Difference from Test Year	(3,256,210)	5,856,082	(38,555,322)										(35,955,450)
WA Retail Revenue Credit (2)	0.04192												
Net Wind Revenue Credit	(\$136,501)	\$245,488	(\$1,616,249)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,507,262)
Total Revenue Credit	\$10,076	\$10,060	\$10,173	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$30,309
	(\$126,425)	\$255,548	(\$1,606,076)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,476,953)

(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	\$14,031.31										\$41,806.41
Deduct Admin Expense	\$3,821.98	\$3,815.90	\$3,858.61	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$11,496.49
0.005 x 55 = 0.275 per Revenue \$	\$10,076.13	\$10,060.09	\$10,172.70	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$30,308.92
Net Wind Revenue Credit													