

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-12 _____

EXHIBIT NO. _____ (RLM-2)

RONALD L. MCKENZIE

REPRESENTING AVISTA CORPORATION

2012 MAR 30 AM 9:52

Avista Corp.
1411 East Mission P.O. Box 3727
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January 13, 2012

Mr. David Danner, Executive Director and Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

Re: Docket No. UE-011595, Monthly Power Cost Deferral Report, December 2011

Dear Mr. Danner:

Enclosed are an original and five copies of Avista Corporation's Power Cost Deferral Report for the month of December 2011. The report includes the monthly energy recovery mechanism (ERM) accounting journal together with backup workpapers. In December actual net power costs were lower than authorized costs by \$2,604,847. The year-to-date difference is \$19,208,401 in the rebate direction. A deferral of \$2,344,362 was recorded in the rebate direction. The year-to-date deferral balance, excluding interest, is \$12,787,561 in the rebate direction.

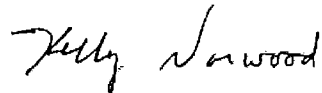
Actual power supply expense was lower than the authorized level due primarily to low power and natural gas prices. Wholesale power and natural gas prices were both lower than expected with the actual wholesale power purchase price at \$37.27/MWh compared to an authorized rate of \$54.80/MWh, and the actual natural gas price at \$3.27/dth compared to an authorized price of \$5.71/dth. Hydro generation was 37 aMW below the authorized level.

Colstrip and Kettle Falls generation was 9 aMW above and 1 aMW above the authorized levels, respectively. Gas-fired generation was 29 aMW above the authorized level. The net transmission expense (transmission expense less transmission revenue) was below the authorized level. Washington retail sales were 8 aMW above the authorized level.

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. Page 12 of the July 2011 report shows the calculation of the weighted cost of debt at June 30, 2011, which was used for the July-December 2011 period.

Attachments A, B, C, and D each consist of a non-confidential, forward long-term contract of one year or longer entered into in the month of December 2011. 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 DECEMBER 2011

Avista Corporation Journal Entry

Effective Date: 201112

Journal: 481-WA ERM

Team: Resource Accounting

Type: C

Category: DJ

Currency: USD

Last Saved by: Cameron Dunlop

Submitted by: Cameron Dunlop

Approved by:


Last Saved: 01/09/2012 12:42 PM

Approval Requested: 01/09/2012 12:42 PM

Seq	Co.	FERC	Ser.	Jur.	S.I.	Debit	Credit	Comment
10	001	186280 - REGULATORY ASSET ERM DEFERRED	ED	WA	DL		2,344,362.00	WA ERM Entry
20	001	/CURRENT YEAR	ED	WA	DL	2,344,362.00		WA ERM Entry
30	001	/557280 - DEFERRED POWER SUPPLY EXPENSE	ED	WA	DL			Interest on ERM
40	001	/431600 - INTEREST EXPENSE DEFERRALS	ED	WA	DL	35,450.00		Interest on ERM
		/186280 - REGULATORY ASSET ERM DEFERRED	ED	WA	DL		35,450.00	Interest on ERM
		CURRENT YEAR						
Totals:						2,379,812.00	2,379,812.00	

Explanation:

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


Prepared by: Cameron Dunlop

Reviewed by

1/9/12
Date

1/5/2012
Date

Date

Approved for Entry
Corporate Accounting use Only

Detail Balances (AVISTA CORP) - 001.186280.ED.WA.DL					
Balance Type Actual			Currency Type Total		
Period	Currency	PTD	PTD Converted	YTD	YTD Converted
201101	USD	0.00		0.00	
201102	USD	-1,227,123.00		-1,227,123.00	
201103	USD	-1,479,769.00		-2,706,892.00	
201104	USD	-1,330,616.00		-4,037,508.00	
201105	USD	-1,067,676.00		-2,969,832.00	
201106	USD	-788,206.00		-2,181,626.00	
201107	USD	-350,312.00		-2,531,938.00	
201108	USD	-3,101,474.00		-5,633,412.00	
201109	USD	-542,004.00		-6,175,416.00	
201110	USD	-2,282,679.00		-8,458,095.00	
201111	USD	-2,109,721.00		-10,567,816.00	
201112	USD	-2,379,812.00		-12,947,628.00	

ERM Deferral Balance (Current Year - 2011)

Account 186280.ED.WA

	Amount	Journal ID
Balance 11/30/11	-\$10,567,816.00	
Deferral	-2,344,362.00	481 - WA ERM
Interest	-35,450.00	481 - WA ERM
Balance 12/31/11	<u><u>-\$12,947,628.00</u></u>	
Year to date deferrals	-\$12,787,561.00	
Year to date interest	-160,067.00	
Balance in account	<u><u>-\$12,947,628.00</u></u>	

	Total	Absorbed	Deferred
First \$4,000,000 at 100%	-\$4,000,000.00	-\$4,000,000.00	\$0.00
\$4,000,000 to \$10,000,000 at 75%	-6,000,000.00	-1,500,000.00	-4,500,000.00
Over \$10,000,000 at 10%	-9,208,401.00	-920,840.00	-8,287,561.00
Total	<u><u>-\$19,208,401.00</u></u>	<u><u>-\$6,420,840.00</u></u>	<u><u>-\$12,787,561.00</u></u>

Detail Balances (AVISTA CORP) - 001 186290.ED.WA.DL

Balance Type: Actual Currency Type: Total

Period	Currency	PTD	PTD Converted	YTD	YTD Converted
201101	USD	0.00		0.00	
201102	USD	0.00		0.00	
201103	USD	0.00		0.00	
201104	USD	0.00		0.00	
201105	USD	0.00		0.00	
201106	USD	0.00		0.00	
201107	USD	0.00		0.00	
201108	USD	0.00		0.00	
201109	USD	0.00		0.00	
201110	USD	0.00		0.00	
201111	USD	0.00		0.00	
201112	USD	0.00		0.00	

Journal Details Summary Balances

ERM Deferral Balance (Prior year - 2010)

Account 186290.ED.WA

Balance 11/30/11

Interest

Balance 12/31/11

Amount

\$0.00

0.00

\$0.00

Journal ID

481 - WA ERM

Detail Balances (AVISTA CORP) - 001.182350.ED.WA.DL					
Balance Type: Actual			Currency Type: Total		
Period	Currency	PTD	PTD Converted	YTD	YTD Converted
201101	USD	0.00		0.00	
201102	USD	0.00		0.00	
201103	USD	0.00		0.00	
201104	USD	0.00		0.00	
201105	USD	0.00		0.00	
201106	USD	0.00		0.00	
201107	USD	0.00		0.00	
201108	USD	0.00		0.00	
201109	USD	0.00		0.00	
201110	USD	0.00		0.00	
201111	USD	0.00		0.00	
201112	USD	0.00		0.00	

Recoverable Deferral Balance
Account 182350.ED.WA
 Balance 11/30/11
 Interest
 Balance 12/31/11

Amount	Journal ID
\$0.00	
0.00	481 - WA ERM
\$0.00	

Detail Balances (AVISTA CORP) - 001.283280.ED.WA.DL					
Balance Type Actual			Currency Type Total		
Period	Currency	PTD	PTD Converted	YTD	YTD Converted
201101	USD	0.00		0.88	
201102	USD	429,493.05		429,493.93	
201103	USD	517,919.15		947,413.08	
201104	USD	465,715.60		1,413,128.68	
201105	USD	373,686.60		1,039,442.08	
201106	USD	275,872.10		763,569.98	
201107	USD	122,609.20		886,179.18	
201108	USD	1,085,515.90		1,971,695.08	
201109	USD	189,701.40		2,161,396.48	
201110	USD	798,937.65		2,960,334.13	
201111	USD	738,402.35		3,698,736.48	
201112	USD	832,934.20		4,531,670.68	

DFIT Associated with ERM Deferrals
Account 283280.ED.WA

Account 186280.ED.WA balance	-\$12,947,628.00
Account 186290.ED.WA balance	0.00
Account 182350.ED.WA balance	0.00
Total	-\$12,947,628.00
Federal income tax rate	-35%
Deferred FIT related to deferrals	\$4,531,670
Rounding	1
Balance in account	<u>\$4,531,671</u>

Changes Semiannually on January 1 and July 1						
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 12/31/10 is	5.614%		Actual cost of debt at 06/30/11 is	5.617%		
The monthly rate is:	0.00468	Before Tax	The monthly rate is:	0.00468	Before Tax	
	0.0030409	After Tax		0.0030425	After Tax	
	0.35	Tax rate		0.35	Tax rate	
Account 186280						0
			January		DFIT Expense	ADFIT
January	ERM Deferral	0	Deferral	0	Operating	0
January	Interest		Interest	0	Nonoperating	0
1/31/2011	Balance before interest	0		0	Total	0
			February		DFIT Expense	ADFIT
February	ERM Deferral	(1,226,791)	Deferral	(429,377)	Operating	429,377
February	Interest		Interest	(653)	Nonoperating	653
2/28/2011	Balance before interest	(1,226,791)		(430,030)	Total	430,030
			March		DFIT Expense	ADFIT
March	ERM Deferral	(1,472,267)	Deferral	(515,293)	Operating	515,293
March	Interest		Interest	(2,089)	Nonoperating	2,089
3/31/2011	Balance before interest	(2,699,058)		(517,382)	Total	517,382
			April		DFIT Expense	ADFIT
April	ERM Deferral	(1,320,401)	Deferral	(462,140)	Operating	462,140
April	Interest		Interest	(3,575)	Nonoperating	3,575
4/30/2011	Balance before interest	(4,019,459)		(465,715)	Total	465,715
			May		DFIT Expense	ADFIT
May	ERM Deferral	1,078,259	Deferral	377,391	Operating	(377,391)
May	Interest		Interest	(3,704)	Nonoperating	3,704
5/31/2011	Balance before interest	(2,941,200)		373,687	Total	(373,687)
			June		DFIT Expense	ADFIT
June	ERM Deferral	795,940	Deferral	278,579	Operating	(278,579)
June	Interest		Interest	(2,707)	Nonoperating	2,707
6/30/2011	Balance before interest	(2,145,260)		275,872	Total	(275,872)
			July		DFIT Expense	ADFIT
July	GL Balance including interest	(2,181,626)	Deferral	(120,103)	Operating	120,103
July	ERM Deferral	(343,152)	Interest	(2,506)	Nonoperating	2,506
7/31/2011	Balance before interest	(2,524,778)		(122,609)	Total	122,609
			August		DFIT Expense	ADFIT
August	ERM Deferral	(3,089,093)	Deferral	(1,081,183)	Operating	1,081,183
August	Interest		Interest	(4,333)	Nonoperating	4,333
8/31/2011	Balance before interest	(5,613,871)		(1,085,516)	Total	1,085,516
			September		DFIT Expense	ADFIT
September	ERM Deferral	(524,126)	Deferral	(183,444)	Operating	183,444
September	Interest		Interest	(6,257)	Nonoperating	6,257
9/30/2011	Balance before interest	(6,137,997)		(189,701)	Total	189,701
			October		DFIT Expense	ADFIT
October	ERM Deferral	(2,260,565)	Deferral	(791,198)	Operating	791,198
October	Interest		Interest	(7,740)	Nonoperating	7,740
10/31/2011	Balance before interest	(8,398,562)		(798,938)	Total	798,938
			November		DFIT Expense	ADFIT
November	ERM Deferral	(2,081,003)	Deferral	(728,351)	Operating	728,351
November	Interest		Interest	(10,051)	Nonoperating	10,051
11/30/2011	Balance before interest	(10,479,565)		(738,402)	Total	738,402
			December		DFIT Expense	ADFIT
December	ERM Deferral	(2,344,362)	Deferral	(820,527)	Operating	820,527
December	Interest		Interest	(12,408)	Nonoperating	12,408
12/31/2011	Balance before interest	(12,823,927)		(832,935)	Total	832,935

Avista Corp. - rce Accounting
 WASHINGTON POWER COST DEFERRALS

Line No.	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
WASHINGTON ACTUALS												
1	\$23,001,732	\$21,199,193	\$19,083,388	\$14,030,492	\$11,251,310	\$9,853,399	\$16,739,775	\$16,287,090	\$17,785,701	\$20,740,203	\$19,696,948	\$21,775,311
2	(\$11,503,112)	(\$8,726,578)	(\$6,558,192)	(\$9,106,868)	(\$6,407,122)	(\$4,879,494)	(\$10,857,205)	(\$9,846,953)	(\$11,774,472)	(\$11,260,466)	(\$13,298,558)	(\$13,792,757)
3	\$2,393,545	\$1,297,553	\$2,199,437	\$1,737,261	\$1,825,461	\$2,571,063	\$2,352,576	\$2,990,040	\$3,059,824	\$4,022,050	\$2,324,207	\$2,612,406
4	\$5,189,184	\$3,527,911	\$1,360,752	\$3,733,340	\$1,732,616	\$1,274,849	\$3,282,448	\$6,133,245	\$7,338,197	\$3,157,243	\$8,902,645	\$9,349,637
5	(\$740,040)	(\$728,798)	(\$838,596)	(\$786,223)	(\$808,629)	(\$1,402,418)	(\$1,876,464)	(\$1,556,228)	(\$1,318,465)	(\$1,522,659)	(\$999,301)	(\$1,117,079)
6	\$1,492,452	\$1,437,473	\$1,480,830	\$1,415,624	\$1,389,451	\$1,359,908	\$1,404,644	\$1,451,913	\$1,455,330	\$1,492,761	\$1,568,999	\$1,540,233
7	\$42,656	\$64,015	\$129,860	\$97,390	\$25,577	\$70,281	\$65,908	\$76,848	\$86,944	\$43,966	\$52,696	\$100,670
8	(\$1,697,271)	(\$1,416,274)	(\$1,198,155)	(\$1,578,194)	(\$1,655,259)	(\$1,557,268)	(\$1,665,897)	(\$1,680,007)	(\$1,533,746)	(\$1,650,145)	(\$1,659,545)	(\$1,770,021)
9	\$18,179,146	\$16,654,495	\$15,659,324	\$9,544,822	\$7,380,411	\$7,290,322	\$9,439,885	\$13,855,948	\$15,093,313	\$15,022,953	\$16,578,091	\$18,698,400
AUTHORIZED NET EXPENSE-SYSTEM												
10	\$11,944,984	\$9,846,565	\$10,853,067	\$6,732,714	\$4,712,966	\$4,927,815	\$7,041,743	\$7,484,808	\$6,620,235	\$6,005,442	\$6,349,912	\$9,537,086
11	(\$3,563,619)	(\$4,040,473)	(\$3,415,529)	(\$4,350,662)	(\$5,618,561)	(\$5,671,884)	(\$10,007,193)	(\$7,148,106)	(\$6,784,137)	(\$2,871,260)	(\$4,145,606)	(\$4,289,456)
12	\$3,348,316	\$3,062,689	\$3,327,639	\$1,902,982	\$1,555,472	\$1,454,724	\$3,034,374	\$3,367,673	\$3,234,240	\$3,355,439	\$3,270,601	\$3,355,029
13	\$10,313,555	\$9,965,514	\$8,687,285	\$3,518,933	\$2,675,756	\$3,294,621	\$11,094,720	\$13,127,806	\$12,566,735	\$11,569,604	\$13,114,461	\$14,645,319
14	(\$801,304)	(\$825,004)	(\$1,002,240)	(\$898,432)	(\$1,029,104)	(\$1,371,347)	(\$1,379,878)	(\$1,150,203)	(\$1,025,629)	(\$1,027,312)	(\$925,342)	(\$810,690)
15	\$1,583,916	\$1,428,384	\$1,489,847	\$1,545,721	\$1,353,126	\$1,434,184	\$1,446,414	\$1,475,811	\$1,441,885	\$1,454,318	\$1,464,565	\$1,517,909
16	\$10,359	\$10,359	\$10,359	\$10,359	\$10,359	\$10,359	\$10,359	\$10,359	\$10,359	\$10,359	\$10,359	\$10,359
17	\$22,736,207	\$19,448,034	\$19,950,428	\$8,461,615	\$3,661,014	\$4,078,472	\$11,240,539	\$17,168,148	\$16,063,688	\$18,506,590	\$21,138,950	\$23,965,556
18	(\$4,557,061)	(\$2,793,539)	(\$4,291,104)	\$1,083,207	\$3,719,397	\$3,211,850	(\$1,800,854)	(\$3,312,200)	(\$964,376)	(\$3,483,637)	(\$4,560,859)	(\$5,267,156)
19	\$931,933	\$592,287	\$1,299,211	(\$1,252,358)	(\$945,527)	(\$418,554)	\$1,071,692	\$822,688	\$1,516,215	\$1,972,011	\$1,153,895	\$1,690,473
20	(\$3,625,128)	(\$2,201,252)	(\$2,991,893)	(\$189,151)	\$2,873,870	\$2,793,296	(\$729,162)	(\$2,489,512)	\$551,840	(\$1,511,626)	(\$3,406,964)	(\$3,576,683)
21	64.87%	64.87%	64.87%	64.87%	64.87%	64.87%	64.87%	64.87%	64.87%	64.87%	64.87%	64.87%
22	(\$2,351,621)	(\$1,427,952)	(\$1,940,841)	(\$109,728)	\$1,864,279	\$1,812,011	(\$473,007)	(\$1,614,946)	\$357,979	(\$980,592)	(\$2,210,098)	(\$2,320,194)
23	\$154,343	(\$2,010,491)	(\$22,182)	(\$1,650,807)	(\$426,600)	(\$750,757)	\$15,470	(\$2,264,399)	(\$940,341)	(\$1,531,147)	(\$102,127)	(\$284,653)
24	(\$2,197,278)	(\$3,438,443)	(\$1,963,023)	(\$1,760,535)	\$1,437,879	\$1,061,254	(\$457,537)	(\$3,879,345)	(\$582,362)	(\$2,511,739)	(\$2,312,225)	(\$2,604,847)
25	(\$2,197,278)	(\$5,635,721)	(\$7,598,744)	(\$9,359,279)	(\$7,921,600)	(\$6,860,346)	(\$7,317,883)	(\$11,197,228)	(\$11,779,590)	(\$14,291,329)	(\$16,603,554)	(\$19,208,401)
Deferral Amount, Cumulative (Customer)	\$0	(\$1,226,791)	(\$2,699,058)	(\$4,019,459)	(\$2,941,200)	(\$2,145,260)	(\$2,488,412)	(\$5,577,505)	(\$6,101,651)	(\$8,362,196)	(\$10,443,199)	(\$12,787,561)
Deferral Amount, Monthly	\$0	(\$1,226,791)	(\$1,472,267)	(\$1,320,401)	\$1,078,259	\$795,940	(\$343,152)	(\$3,089,093)	(\$524,126)	(\$2,260,565)	(\$2,081,003)	(\$2,344,362)
Acct 57280 Entry; (*) Rebate, (-) Surcharge	\$0	\$1,226,791	\$1,472,267	\$1,320,401	(\$1,078,259)	(\$795,940)	\$343,152	\$3,089,093	\$524,126	\$2,260,565	\$2,081,003	\$2,344,362
Company Band Gross Margin Impact, Cumulative	(\$2,197,278)	(\$4,408,930)	(\$4,899,686)	(\$5,339,820)	(\$4,980,400)	(\$4,715,086)	(\$4,829,471)	(\$5,619,723)	(\$5,677,969)	(\$5,929,133)	(\$6,160,355)	(\$6,420,840)

Avista Corp. - Source Accounting
WASHINGTON DEFERRED POWER COST CALCULATION - ACTUAL SYSTEM POWER SUPPLY EXPENSES

Line No.	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
555 PURCHASED POWER												
1 Short-Term Purchases	\$13,701,024	\$12,638,889	\$12,254,383	\$6,470,073	\$5,313,403	\$3,923,331	\$10,567,284	\$10,444,249	\$12,363,129	\$15,163,660	\$10,924,811	\$12,795,671
2 Cheilan-Rocky Reach	\$133,680	\$157,761	\$137,408	\$122,726	\$154,936	\$439,222	\$133,514	\$139,134	\$126,766	\$358,474	\$68,458	\$45,179
3 Douglas-Wellis	\$146,954	\$146,954	\$146,954	\$146,954	\$146,954	\$146,954	\$146,954	\$146,954	\$150,203	\$150,203	\$150,203	\$150,203
4 Grant-Priest Rapids/Wanapum	\$505,464	\$505,463	\$505,461	\$505,470	\$505,466	\$505,461	\$505,465	\$505,464	\$505,457	\$505,463	\$505,463	\$505,463
5 Grant-Displacement	\$412,606	\$391,159	\$403,468	\$528,128	\$542,862	\$455,032	\$531,306	\$456,005	\$450,035	\$0	\$0	\$0
6 Douglas Wells Settlement	\$45,000	\$76,050	\$91,284	\$119,976	\$128,565	\$110,010	\$148,647	\$107,463	\$38,834	\$56,071	\$43,693	\$43,693
7 WNP-3 (1)	\$3,357,872	\$3,034,183	\$1,957,782	\$1,605,560	\$0	\$0	\$0	\$0	\$0	\$0	\$3,476,468	\$3,591,877
8 Deer Lake-Inland Power & Light	\$141	\$693	\$637	\$611	\$671	\$487	\$380	\$500	\$573	\$427	\$355	\$735
9 Small Power	\$136,766	\$135,254	\$128,323	\$134,858	\$135,339	\$129,924	\$133,040	\$90,157	\$66,179	\$68,330	\$64,731	\$80,064
10 Stimson Lumber	\$179,922	\$165,034	\$145,830	\$68,889	\$135,508	\$141,932	\$202,512	\$223,037	\$204,314	\$183,892	\$201,174	\$201,529
11 City of Spokane-Upriver	\$321,567	\$362,494	\$295,778	\$245,758	\$195,772	\$191,874	\$294,752	\$24,178	\$21,892	\$89,283	\$165,246	\$179,884
12 Douglas Exchange Capacity	\$45,000	\$0	\$0	\$135,000	\$135,000	\$165,000	\$165,000	\$165,000	\$135,000	\$90,000	\$0	\$45,000
13 Black Creek Hydro	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$118,371	\$0	\$0
14 JP Morgan Ventures Wind	\$355,193	\$308,730	\$341,013	\$414,376	\$336,762	\$397,582	\$255,251	\$331,417	\$167,181	\$261,800	\$305,489	\$146,221
15 Lancaster PPA (Rathdrum)	\$1,860,812	\$1,826,508	\$1,748,975	\$1,843,020	\$1,778,756	\$1,794,403	\$1,846,745	\$1,937,334	\$2,031,823	\$1,886,290	\$2,094,500	\$2,122,558
16 Clearwater (PFI)	\$1,697,271	\$1,416,274	\$1,198,155	\$1,576,194	\$1,655,253	\$1,557,266	\$1,665,897	\$1,680,007	\$1,533,746	\$1,650,145	\$1,669,545	\$1,770,021
17 WPM Ancillary Services	\$66,508	\$68,104	\$55,981	\$49,536	\$47,793	\$45,634	\$49,724	\$49,929	\$46,652	\$50,239	\$55,826	\$58,975
18 Non-Mon. Accruals	\$35,346	(\$34,378)	(\$28,044)	\$43,583	\$38,279	(\$120,713)	\$77,304	(\$13,738)	(\$56,083)	\$107,555	(\$28,370)	\$38,238
19 Total 555 Purchased Power	\$23,001,732	\$21,199,193	\$19,083,388	\$14,030,492	\$11,251,310	\$9,853,399	\$16,733,775	\$16,287,090	\$17,785,701	\$20,740,203	\$19,696,948	\$21,775,311
(1) Effective November 2008, WNP-3 purchase expense has been adjusted to reflect the mid-point price, per Settlement Agreement, Cause No. U-86-99												
447 SALES FOR RESALE												
20 Short-Term Sales	(\$6,752,558)	(\$5,256,186)	(\$3,552,583)	(\$5,988,758)	(\$3,356,251)	(\$2,256,774)	(\$7,432,623)	(\$6,243,461)	(\$7,854,304)	(\$7,309,235)	(\$9,382,581)	(\$9,922,626)
21 Peaker LLC/PGE Cap Sale	(\$146,020)	(\$146,345)	(\$144,955)	(\$146,150)	(\$146,085)	(\$146,085)	(\$146,150)	(\$146,150)	(\$146,215)	(\$146,020)	(\$146,085)	(\$145,955)
22 Nichols Pumping Index Sale	(\$97,088)	(\$73,975)	(\$68,628)	(\$76,190)	(\$75,562)	(\$68,521)	(\$101,653)	(\$134,591)	(\$145,276)	(\$120,554)	(\$141,429)	(\$112,093)
23 Sovereign/Kaiser Load Following	(\$6,366)	(\$5,871)	(\$6,667)	(\$6,264)	(\$6,771)	(\$6,512)	(\$6,669)	(\$6,665)	(\$6,541)	(\$6,715)	(\$6,653)	(\$6,757)
24 Pend Oreille DES	(\$41,841)	(\$38,713)	(\$41,440)	(\$40,290)	(\$32,075)	(\$21,475)	(\$29,485)	(\$36,195)	(\$34,190)	(\$39,891)	(\$37,861)	(\$36,176)
25 Northwestern Load Following	(\$250,968)	(\$32,256)	(\$35,742)	(\$131,600)	(\$19,218)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26 NaturEner Glacier Wind	(\$117,683)	(\$99,520)	(\$97,452)	(\$131,600)	(\$19,218)	(\$18,760)	(\$11,000)	\$0	(\$2,111,216)	(\$1,990,461)	(\$2,056,854)	(\$2,214,496)
27 SMUD 50 + 25	(\$2,127,448)	(\$1,747,094)	(\$1,439,282)	(\$1,584,172)	(\$1,536,965)	(\$1,465,030)	(\$1,944,173)	(\$2,221,962)	(\$1,476,730)	(\$1,647,590)	(\$1,527,095)	(\$1,354,652)
28 Merchant Ancillary Services	(\$1,963,120)	(\$1,326,618)	(\$1,171,443)	(\$1,153,444)	(\$1,234,195)	(\$895,337)	(\$1,185,452)	(\$1,057,829)	(\$1,476,730)	(\$1,647,590)	(\$1,527,095)	(\$1,354,652)
29 Total 447 Sales for Resale	(\$11,503,112)	(\$8,726,576)	(\$6,558,192)	(\$9,106,868)	(\$6,407,122)	(\$4,879,494)	(\$10,857,205)	(\$9,846,953)	(\$11,774,472)	(\$11,260,466)	(\$13,298,558)	(\$13,792,757)
501 FUEL-DOLLARS												
30 Kettle Falls Wood-501110	\$720,927	(\$7,551)	\$381,831	\$610,231	\$987,105	\$2,066,726	\$850,189	\$1,089,712	\$1,175,290	\$1,910,256	\$966,921	\$696,711
31 Kettle Falls Gas-501120	(\$696)	\$1,293	\$6,213	\$1,903	\$326	\$9,418	\$6,488	\$169	(\$6,707)	\$395	\$1,406	(\$356)
32 Colstrip Coal-501140	\$1,650,366	\$1,277,058	\$1,799,049	\$1,124,528	\$836,089	\$491,565	\$1,431,535	\$1,859,569	\$1,866,086	\$2,063,071	\$1,354,940	\$1,880,270
33 Colstrip Oil-501160	\$22,948	\$28,753	\$13,344	\$599	\$1,941	\$3,354	\$64,364	\$40,590	\$35,155	\$48,328	\$940	\$35,781
34 Total 501 Fuel Expense	\$2,393,545	\$1,297,553	\$2,199,437	\$1,737,261	\$1,825,461	\$2,571,063	\$2,352,576	\$2,990,040	\$3,069,824	\$4,022,050	\$2,324,207	\$2,612,406
501 FUEL-TONS												
35 Kettle Falls	30,205	-	16,111	26,412	42,815	34,163	36,345	47,116	51,937	101,685	45,032	53,609
36 Colstrip	84,543	75,306	87,235	38,332	39,752	37,393	66,441	89,647	86,976	94,379	94,379	96,945

Avista Corp. - Source Accounting
WASHINGTON DEFERRED POWER COST CALCULATION - ACTUAL SYSTEM POWER SUPPLY EXPENSES

Line No.	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
76	\$29,760	\$26,880	\$29,720	\$28,800	\$29,760	\$28,800	\$29,760	\$29,760	\$28,800	\$29,760	\$28,840	\$29,760
77	\$29,760	\$26,880	\$27,916	\$28,800	\$29,760	\$28,800	\$45,462	\$39,760	\$28,800	\$29,760	\$28,840	\$29,760
78	\$0	\$0	(\$1,804)	\$0	\$0	\$0	\$15,702	\$10,000	\$0	\$0	\$0	\$0
79	\$13,456	\$8,894	\$14,254	\$12,537	\$12,049	\$13,656	\$10,872	\$11,601	\$9,090	\$9,262	\$11,530	\$9,340
80	(\$15,036)	(\$12,836)	(\$14,179)	(\$17,225)	(\$14,002)	(\$16,531)	(\$11,029)	(\$13,780)	(\$6,778)	(\$10,885)	(\$12,702)	(\$6,080)
81	(\$1,580)	(\$3,942)	\$75	(\$4,688)	(\$1,953)	(\$2,875)	(\$157)	(\$2,179)	\$2,312	(\$1,623)	(\$1,172)	\$3,260
82	\$931,933	\$592,287	\$1,299,211	(\$1,252,358)	(\$845,527)	(\$418,554)	\$1,071,692	\$822,688	\$1,516,215	\$1,972,011	\$1,153,895	\$1,690,473
83	\$20,808,350	\$18,663,056	\$18,166,690	\$9,868,658	\$8,190,137	\$8,429,034	\$12,177,274	\$16,358,643	\$18,149,274	\$18,645,109	\$19,401,531	\$22,158,894

Avista Corp. - Resource Accounting
 Washington Electric Jurisdiction
Energy Recovery Mechanism (ERM) Retail Revenue Credit Calculation - 2011

Retail Sales - MWh	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	YTD
Total Billed Sales	550,386	515,941	497,287	462,109	446,055	427,740	410,586	440,057	481,192	440,483	442,065	524,357	5,618,259
Deduct Prior Month Unbilled	(420,723)	(394,368)	(407,182)	(391,621)	(357,344)	(330,664)	(323,643)	(331,350)	(381,647)	(345,695)	(351,118)	(384,537)	(4,419,891)
Add Current Month Unbilled	394,368	407,182	391,621	357,344	330,664	323,643	331,350	381,647	345,695	351,118	384,537	405,057	4,404,225
Total Retail Sales	524,030	528,755	481,727	427,832	419,375	420,720	418,293	490,355	425,240	445,906	475,484	544,877	5,602,593
Test Year Retail Sales	527,098	488,793	481,286	395,019	410,896	405,797	418,600	445,346	406,549	415,472	473,454	539,219	5,407,529
Difference from Test Year	(3,068)	39,962	441	32,813	8,479	14,923	(308)	45,009	18,691	30,434	2,030	5,658	195,064
Production Rate - \$/MWh	\$50.31	\$50.31	\$50.31	\$50.31	\$50.31	\$50.31	\$50.31	\$50.31	\$50.31	\$50.31	\$50.31	\$50.31	\$50.31
Total Revenue Credit - \$	(\$154,343)	\$2,010,491	\$22,182	\$1,650,807	\$426,600	\$750,757	(\$15,470)	\$2,254,399	\$940,341	\$1,531,147	\$102,127	\$284,653	\$9,813,693