

Avista Corp.
1411 East Mission PO Box 3727
Spokane, Washington 99220-3727
Telephone 509-489-0500
Toll Free 800-727-9170

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UTILITY MANAGEMENT
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October 17, 2008

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, September 2008

Dear Mr. Danner:

Enclosed are an original and five copies of Avista Corporation's Power Cost Deferral Report for the month of September 2008. The report includes the monthly energy recovery mechanism (ERM) accounting journal together with backup workpapers. In September actual net power costs were higher than authorized costs by \$1,725,026. The year to date difference is \$12,902,954 in the surcharge direction, with \$5,612,659 being deferred and \$7,290,295 being absorbed by the Company.

Actual power supply expense was higher than the authorized level due primarily to an expense for bad debt reserve for Lehman Brothers August/September business. Payment was not received for power that was flowed to Lehman in August and part of September. Hydro generation was 30 aMW above the authorized level. The average market purchase price was \$50.91/MWh and the average market sales price was \$55.62/MWh.

Coyote Springs 2 generated 29 aMW above the authorized level due to economics. The average Coyote Springs 2 gas price was \$8.57/dth. Colstrip and Kettle Falls generated 24 aMW and 27 aMW below the authorized levels, respectively. Net transmission expense (transmission expense less transmission revenue) was below the authorized level. Washington retail sales were 10 aMW below the authorized level.

In September 2008 the deferral balances decreased by \$761,232. The September deferral was an increase of \$1,552,524, interest amounted to \$177,311, and amortization amounted to -\$2,491,067. The actual deferral balances at the end of September total \$42.5 million. The deferral balances would reach zero in the December 2009 timeframe based on the following assumptions:

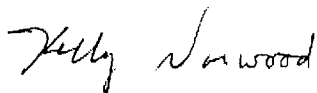
1. Projected deferrals of -\$644,000 for the remainder of 2008. (Note: Actual hydro generation will depend on precipitation, temperatures and other variables during the remainder of the year.)
2. Projected deferrals of -\$2.9 million in 2009.
3. Forecasted amortizations of approximately \$31 million 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 September 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 SEPTEMBER 2008

Avista Corporation Journal Entry

Effective Date: 200809

Journal: 481-WA ERM

Team: Resource Accounting

Type: C

Category: DJ

Last Saved by: Lori Hamilton

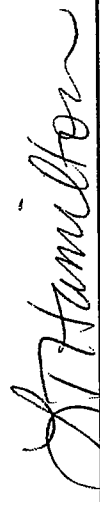
Submitted by: Lori Hamilton

Last Saved: 10/06/2008 2:56 PM

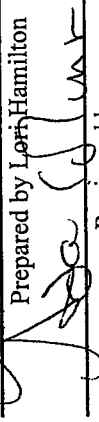
Seq.	Co.#	FERC	Seq.	Jur.	S.I.	Debit	Credit	Comment
10	001	557290 - WA ERM AMORTIZATION	ED	WA	DL	2,491,067.00		WA ERM surcharge amortization
20	001	182350 - REGULATORY ASSET ERM APPROVED FOR F	ED	WA	DL		2,491,067.00	WA ERM authorized for recovery
25	001	182350 - REGULATORY ASSET ERM APPROVED FOR F	ED	WA	DL	159,561.00		Accrue interest on deferral balance authorized for recovery
30	001	557280 - DEFERRED POWER SUPPLY EXPENSE	ED	WA	DL		1,552,524.00	WA ERM current month deferral
40	001	186280 - REGULATORY ASSET ERM DEFERRED CURF	ED	WA	DL	1,552,524.00		WA ERM current year deferral
60	001	186280 - REGULATORY ASSET ERM DEFERRED CURF	ED	WA	DL	17,750.00		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		177,311.00	Non-utility interest income
120	001	186010 - REGULATORY ASSET ERM 100% COMPANY	ED	WA	DL	0.00		Track 100% company band accumulation
130	001	186020 - REGULATORY ASSET ERM 100% CONTRA	ED	WA	DL		0.00	Contra account for 100% company band accumulation
140	001	186030 - REGULATORY ASSET ERM 50% COMPANY	ED	WA	DL	0.00		Track 50% company band accumulation
150	001	186035 - REGULATORY ASSET ERM 50% CONTRA	ED	WA	DL		0.00	Contra account for 50% company band accumulation
160	001	186040 - REGULATORY ASSET ERM 10% COMPANY	ED	WA	DL	172,502.00		Track 10% company band accumulation
170	001	186045 - REGULATORY ASSET ERM 10% CONTRA	ED	WA	DL		172,502.00	Contra account for 10% company band accumulation
TOTALS:						4,393,404.00	4,393,404.00	

Explanation:

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



 Prepared by Lori Hamilton



 Reviewed by

10/6/08

 Date

 10/6/08

 Date

 Approved for Entry

 Corporate Accounting use Only

 Date

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	
200803	USD	0.00		0.00	
200804	USD	5,041,702.00		5,041,702.00	
200805	USD	2,272,203.00		7,313,905.00	
200806	USD	-351,394.00		6,962,511.00	
200807	USD	3,619,766.00		3,342,745.00	
200808	USD	816,407.00		4,159,152.00	
200809	USD	1,570,274.00		5,729,426.00	

Journal Details Summary Balances

ERM Deferral Balance (Current Year - 2008)

Account 186280.ED.WA

	<u>Amount</u>	<u>Journal ID</u>
Balance 8/31/08	\$4,159,152.00	
Deferral	\$1,552,524.00	481 - WA ERM
Interest	17,750.00	481 - WA ERM
Balance 9/30/08	<u>\$5,729,426.00</u>	
Year to date deferrals	\$5,612,659.00	
Year to date interest	116,767.00	
Balance in account	<u>\$5,729,426.00</u>	

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	
200804	USD	70,346.00		16,846,279.00	
200805	USD	70,346.00		16,916,625.00	
200806	USD	70,346.00		16,986,971.00	
200807	USD	-16,986,971.00		0.00	
200808	USD	0.00		0.00	
200809	USD	0.00		0.00	

ERM Deferral Balance (Prior year - 2007)

Account 186290.ED.WA

Balance 8/31/08
 No current month activity
 Balance 9/30/08

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

Detail Balances (AWA CORP) - 001.182350.ED.WA.DL					
Balance Type			Currency Type		
Actual			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	
200803	USD	2,509,811.00		33,132,988.65	
200804	USD	2,437,265.00		30,695,723.65	
200805	USD	2,125,824.00		28,569,899.65	
200806	USD	2,021,482.00		26,548,417.65	
200807	USD	14,946,860.00		41,495,277.65	
200808	USD	2,378,201.00		39,117,076.65	
200809	USD	2,331,506.00		36,785,570.65	

Recoverable Deferral Balance

Account 182350.ED.WA

Balance 8/31/08

Amortization

Interest

Balance 9/30/08

<u>Amount</u>	<u>Journal ID</u>
\$39,117,076.65	
-2,491,067.00	481 - WA ERM
159,561.00	481 - WA ERM
<u>\$36,785,570.65</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	2,500,030.00		3,440,939.00	
200803	USD	26,147.00		3,414,792.00	
200804	USD	585,208.00		4,000,000.00	
200805	USD	0.00		4,000,000.00	
200806	USD	0.00		4,000,000.00	
200807	USD	0.00		4,000,000.00	
200808	USD	0.00		4,000,000.00	
200809	USD	0.00		4,000,000.00	

ERM \$4M Deadband
Account 186010.ED.WA

Balance 8/31/08
 Current month entry
 Balance 9/30/08

Amount	Journal ID
\$4,000,000.00	
0.00	481 - WA ERM
<u>\$4,000,000.00</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 50%	6,000,000.00	3,000,000.00	3,000,000.00
Over \$10,000,000 at 10%	2,902,954.00	290,295.00	2,612,659.00
Total	\$12,902,954.00	\$7,290,295.00	\$5,612,659.00

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	
200803	USD	26,147.00		3,414,792.00	
200804	USD	585,208.00		4,000,000.00	
200805	USD	0.00		4,000,000.00	
200806	USD	0.00		4,000,000.00	
200807	USD	0.00		4,000,000.00	
200808	USD	0.00		4,000,000.00	
200809	USD	0.00		4,000,000.00	

Journal Details Summary Balances

ERM \$4M Deadband Contra Account

Account 186020.ED.WA

Balance 8/31/08
 Current month entry
 Balance 9/30/08

<u>Amount</u>	<u>Journal ID</u>
-\$4,000,000.00	
0.00	481 - WA ERM
<u>-\$4,000,000.00</u>	

Detail Balances (AVA CORP) - 001.186030.ED.WA.DL

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

Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200713					
200801					
200802					
200803					
200804	USD	3,000,000.00		3,000,000.00	
200805	USD	0.00		3,000,000.00	
200806	USD	0.00		3,000,000.00	
200807	USD	0.00		3,000,000.00	
200808	USD	0.00		3,000,000.00	
200809	USD	0.00		3,000,000.00	

Journal Details Summary Balances

ERM 50%-50% Sharing Band
Account 186030.ED.WA

Balance 8/31/08
 Current month entry
 Balance 9/30/08

Amount	Journal ID
\$3,000,000.00	
0.00	481 - WA ERM
<u>\$3,000,000.00</u>	

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
2,902,954.00	290,295.00	2,612,659.00
<u>\$12,902,954.00</u>	<u>\$7,290,295.00</u>	<u>\$5,612,659.00</u>

Detail Balances (AVA CORP) - 001.186035.ED.WA.DL

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

Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200713					
200801					
200802					
200803					
200804	USD	3,000,000.00		3,000,000.00	
200805	USD	0.00		3,000,000.00	
200806	USD	0.00		3,000,000.00	
200807	USD	0.00		3,000,000.00	
200808	USD	0.00		3,000,000.00	
200809	USD	0.00		3,000,000.00	

Journal Details Summary Balances

ERM 50%-50% Sharing Contra Account
Account 186035.ED.WA
 Balance 8/31/08
 Current month entry
 Balance 9/30/08

Amount	Journal ID
-\$3,000,000.00	
0.00	481 - WA ERM
<u>-\$3,000,000.00</u>	

Detail Balances (AVA CORP) - 001.186040.ED.WA.DL						
Balance Type			Actual		Currency Type	Entered
					Factor	Units
Period	Currency	PTD	PTD Converted	YTD	YTD Converted	
200713						
200801						
200802						
200803						
200804	USD	225,669.00		225,669.00		
200805	USD	249,563.00		475,232.00		
200806	USD	42,388.00		432,844.00		
200807	USD	404,265.00		28,579.00		
200808	USD	89,214.00		117,793.00		
200809	USD	172,502.00		290,295.00		

ERM 90%-10% Sharing Band
Account 186040.ED.WA

Balance 8/31/08	Amount	Journal ID
Current month entry	\$117,793.00	
Balance 9/30/08	172,502.00	481 - WA ERM
	\$290,295.00	

	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 50%	6,000,000.00	3,000,000.00	3,000,000.00
Over \$10,000,000 at 10%	2,902,954.00	290,295.00	2,612,659.00
Total	\$12,902,954.00	\$7,290,295.00	\$5,612,659.00

Detail Balances (AVA CORP) - 001.186045.ED.WA.DL

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

Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200713					
200801					
200802					
200803					
200804	USD	225,669.00		225,669.00	
200805	USD	249,563.00		475,232.00	
200806	USD	42,388.00		432,844.00	
200807	USD	404,265.00		28,579.00	
200808	USD	89,214.00		117,793.00	
200809	USD	172,502.00		290,295.00	

Journal Details Summary Balances

ERM 90%-10% Sharing Contra Account

Account 186045.ED.WA

Balance 8/31/08
 Current month entry
 Balance 9/30/08

Amount	Journal ID
-\$117,793.00	
-172,502.00	481 - WA ERM
<u>-\$290,295.00</u>	

Detail Balances (AVA CORP) - 001.283280.ED.WA.DL					
Balance Type			Currency Type		
Actual			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	
200804	USD	936,174.00		-18,404,295.00	
200805	USD	75,854.00		-18,480,149.00	
200806	USD	805,885.00		-17,674,264.00	
200807	USD	1,980,956.95		-15,693,307.05	
200808	USD	546,627.90		-15,146,679.15	
200809	USD	266,431.20		-14,880,247.95	

DFIT Associated with ERM Deferrals
Account 283280.ED.WA

Account 186280.ED.WA balance	\$5,729,426.00
Account 186290.ED.WA balance	0.00
Account 182350.ED.WA balance	36,785,570.65
Total	<u>\$42,514,996.65</u>
Federal income tax rate	-35%
Deferred FIT related to deferrals	<u>-\$14,880,249</u>
Rounding	1
Balance in account	<u><u>-\$14,880,248</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%				Actual cost of debt at 6/30/08 is 6.683%			
The monthly rate is:				The monthly rate is:			
0.00653 Before Tax				0.00556917 Before Tax			
0.0042467 After Tax				0.0036200 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					
				January		DFIT Expense	
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
				February		DFIT Expense	
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
				March		DFIT Expense	
March	ERM Deferral	0		Deferral	0	Operating	0
March	Interest		0	Interest	0	Nonoperating	0
03-31-2008	Balance before interest	0			0	Total	0
				April		DFIT Expense	
April	ERM Deferral	5,031,019		Deferral	1,760,857	Operating	(1,760,857)
April	Interest		10,683	Interest	3,739	Nonoperating	(3,739)
04-30-2008	Balance before interest	5,031,019			1,764,596	Total	(1,764,596)
				May		DFIT Expense	
May	ERM Deferral	2,246,069		Deferral	786,124	Operating	(786,124)
May	Interest		26,134	Interest	9,147	Nonoperating	(9,147)
05-31-2008	Balance before interest	7,277,088			795,271	Total	(795,271)
				June		DFIT Expense	
June	ERM Deferral	(381,488)		Deferral	(133,521)	Operating	133,521
June	Interest		30,094	Interest	10,533	Nonoperating	(10,533)
06-30-2008	Balance before interest	6,895,600			(122,988)	Total	122,988
				July		DFIT Expense	
06-30-2008	GL Balance including interest	6,962,511		Deferral	(1,273,435)	Operating	1,273,435
July	ERM Deferral	(3,638,385)		Interest	6,517	Nonoperating	(6,517)
July	Interest		18,619		(1,266,918)	Total	1,266,918
07-31-2008	Balance before interest	3,324,126					
				August		DFIT Expense	
August	ERM Deferral	802,920		Deferral	281,022	Operating	(281,022)
August	Interest		13,487	Interest	4,720	Nonoperating	(4,720)
08-31-2008	Balance before interest	4,127,046			285,742	Total	(285,742)
				September		DFIT Expense	
September	ERM Deferral	1,552,524		Deferral	543,383	Operating	(543,383)
September	Interest		17,750	Interest	6,213	Nonoperating	(6,213)
09-30-2008	Balance before interest	5,679,570			549,596	Total	(549,596)
				GL Balance		Activity	
Net ERM Balance				08-31-08	Sep-08	GL Balance	
5,729,426				4,159,152	1,570,274	5,729,426	
ADFIT Balance							
(2,005,299)							

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 6/30/08 is 6.683%			
The monthly rate is:		0.00653	Before Tax	The monthly rate is:		0.00556917 Before Tax	
		0.0042467	After Tax			0.0036200 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)
				<u>April</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
April	Interest		70,346	Deferral	0	Operating	0
04-30-2008	Balance before interest	16,564,895		Interest	24,621	Nonoperating	(24,621)
					24,621	Total	(24,621)
				<u>May</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
May	Interest		70,346	Deferral	0	Operating	0
05-31-2008	Balance before interest	16,564,895		Interest	24,621	Nonoperating	(24,621)
					24,621	Total	(24,621)
				<u>June</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
June	Interest		70,346	Deferral	0	Operating	0
06-30-2008	Balance before interest	16,564,895		Interest	24,621	Nonoperating	(24,621)
					24,621	Total	(24,621)
06-30-2008	GL Balance including interest	16,986,971		<u>July</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
06-30-2008	ERM Transfer to 182350	(16,986,971)		Deferral	0	Operating	0
July	Interest	0	0	Interest	0	Nonoperating	0
07-31-2008	Balance before interest	0			0	Total	0
				<u>August</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
August	Interest		0	Deferral	0	Operating	0
08-31-2008	Balance before interest	0		Interest	0	Nonoperating	0
					0	Total	0
				<u>September</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
September	Interest		0	Deferral	0	Operating	0
09-30-2008	Balance before interest	0		Interest	0	Nonoperating	0
					0	Total	0
	Net ERM Balance	0		GL Balance	Activity	GL Balance	
				08-31-08	Sep-08	09-30-08	
	ADFIT Balance	0		0	0	0	
When WUTC deems 2007 deferred power costs prudent - reclass to 182350.							
Prudency granted 7/31/08.							

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 6/30/08 is 6.683%			
The monthly rate is:		0.00653	Before Tax	The monthly rate is:		0.00556917	Before Tax
		0.0042467	After Tax			0.0036200	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		171,180		(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		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>April</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
April	Surcharge Amortization	(2,570,506)		Amortization	(899,677)	Operating	899,677
April	Interest		133,241	Interest	46,634	Nonoperating	(46,634)
04-30-2008	Balance before interest	30,089,896			(853,043)	Total	853,043
				<u>May</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
May	Surcharge Amortization	(2,248,832)		Amortization	(787,091)	Operating	787,091
May	Interest		123,008	Interest	43,053	Nonoperating	(43,053)
05-31-2008	Balance before interest	27,841,064			(744,038)	Total	744,038
				<u>June</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
June	Surcharge Amortization	(2,135,181)		Amortization	(747,313)	Operating	747,313
June	Interest		113,699	Interest	39,795	Nonoperating	(39,795)
06-30-2008	Balance before interest	25,705,883			(707,518)	Total	707,518
06-30-2008	Transfer from 186290	16,986,971					
06-30-2008	GL Balance including interest	26,548,418		<u>July</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
July	Surcharge Amortization	(2,193,738)		Amortization	(767,808)	Operating	767,808
July	Interest		153,627	Interest	53,769	Nonoperating	(53,769)
07-31-2008	Balance before interest	41,341,651			(714,039)	Total	714,039
				<u>August</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
August	Surcharge Amortization	(2,523,291)		Amortization	(883,152)	Operating	883,152
August	Interest		145,090	Interest	50,782	Nonoperating	(50,782)
08-31-2008	Balance before interest	38,818,360			(832,370)	Total	832,370
				<u>September</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
September	Surcharge Amortization	(2,491,067)		Amortization	(871,873)	Operating	871,873
September	Interest		159,561	Interest	55,846	Nonoperating	(55,846)
09-30-2008	Balance before interest	36,327,293			(816,027)	Total	816,027
				<u>GL Balance</u>	<u>Activity</u>	<u>GL Balance</u>	
				<u>08-31-2008</u>	<u>Sep-08</u>	<u>09-30-2008</u>	
	Net ERM Balance	36,785,571		39,117,077	(2,331,506)	36,785,571	
	ADFIT Balance	(12,874,950)					

		<u>Interest</u>		
	<u>182350</u>	<u>186280</u>	<u>186290</u>	<u>419600</u>
01-31-2008	171,180	0	70,346	(241,526)
Total				
02-29-2008	157,072	0	70,346	(227,418)
Total				
03-31-2008	144,335	0	70,346	(214,681)
Total				
04-30-2008	133,241	10,683	70,346	(214,270)
Total				
05-31-2008	123,008	26,134	70,346	(219,488)
Total				
06-30-2008	113,699	30,094	70,346	(214,139)
Total				
07-31-2008	153,627	18,619	0	(172,246)
Total				
08-31-2008	145,090	13,487	0	(158,577)
Total				
09-30-2008	159,561	17,750	0	(177,311)
Total				

AVISTA CORPORATION
 SEPTEMBER 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)
			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)	58.470%	100,041,289	0.00%	100.00%	0.405¢	0.446¢	\$0	\$446,184	\$446,184	0.956325	\$426,697	
1 (601-1300 kWh)	29.798%	50,983,929	0.00%	100.00%	0.607¢	0.668¢	0	340,573	340,573	0.956325	325,698	
1 (over 1300 kWh)	11.732%	20,073,275	0.00%	100.00%	0.853¢	0.938¢	0	186,287	186,287	0.956325	180,064	
Total Sch 1	100.000%	171,098,493					0	975,044	975,044		932,459	
11		31,322,706	0.00%	100.00%	0.788¢	0.867¢	0	271,568	271,568	0.956325	259,707	
12		3,230,475	0.00%	100.00%	0.788¢	0.867¢	0	28,008	28,008	0.956325	26,785	
21		138,050,995	0.00%	100.00%	0.549¢	0.604¢	0	833,828	833,828	0.956325	797,411	
22		2,955,790	0.00%	100.00%	0.549¢	0.604¢	0	17,853	17,853	0.956325	17,073	
25		82,379,073	0.00%	100.00%	0.352¢	0.387¢	0	318,807	318,807	0.956325	304,883	
30		5,354,940	0.00%	100.00%	0.485¢	0.534¢	0	28,595	28,595	0.956325	27,346	
31		14,717,665	0.00%	100.00%	0.485¢	0.534¢	0	78,592	78,592	0.956325	75,159	
32		1,901,352	0.00%	100.00%	0.485¢	0.534¢	0	10,153	10,153	0.956325	9,710	
41-46		\$328,644	0.00%	100.00%	9.78%	9.84%	0	28,465	28,465	0.956325	27,222	
47		\$96,648	0.00%	100.00%	9.78%	9.84%	0	8,371	8,371	0.956325	8,005	
48		\$64,067	0.00%	100.00%	9.78%	9.84%	0	5,549	5,549	0.956325	5,307	
Schedule Totals		451,011,489					\$0	\$2,604,833	\$2,604,833		\$2,491,067	
kWh not subject to surcharge												-35%
Sch 28		0										
Sch 41-48		2,213,843										
Total kWh		453,225,332										(\$871,873) DFIT Expense

Accounting Period	200809	State Code	WA
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Rate Schedule Num	Meters	Usage	Revenue Amt	YTD Avg Meters	Ytd Usage	Ytd Revenue Amt
001	198,510	171,098,493	12,064,352	198,425	1,813,464,157	130,944,884
011	19,132	31,322,706	3,196,878	19,165	282,003,274	28,501,588
012	7,778	3,230,475	352,963	7,697	34,248,914	3,694,781
021	3,253	138,050,995	10,514,200	3,239	1,155,254,109	87,853,356
022	75	2,955,790	215,985	73	28,757,461	2,084,267
025	22	82,379,073	4,157,702	22	698,993,235	35,004,786
028	0	0	17,350	0	467,000	200,463
030	39	5,354,940	316,117	39	23,280,340	1,375,621
031	1,105	14,717,665	983,096	1,090	76,179,875	5,171,525
032	1,204	1,901,352	132,745	1,182	10,169,965	736,803
041	11	8,720	1,671	11	78,480	15,037
042	269	1,106,206	303,259	263	9,999,804	2,734,757
044	13	21,203	2,244	13	191,683	20,273
045	3	88,216	5,498	3	795,001	49,487
046	18	189,486	15,972	18	1,699,104	142,657
7	0	502,071	96,648	0	4,494,712	859,936
048	0	297,941	64,067	0	2,710,441	581,935
058	0	0	1,156,678	0	0	10,586,616
058A	0	0	-7,046	0	0	-66,873
058a	0	0	-892	0	0	-892
063	0	0	0	0	0	0
090	0	0	4	0	0	36
095	0	0	14,791	0	0	129,221
099	0	0	65,458	0	0	538,843
Sum	231,432	453,225,332	33,669,738	231,240	4,142,787,555	311,159,106

WASHINGTON POWER COST DEFERRALS

AVISTA UTILITIES

Line No.	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	10-06-2-Actual Nov-08	2 PM sw Actual Dec-08																																																				
1	\$ 21,249,348	\$ 18,761,560	\$ 30,396,928	\$ 26,298,780	\$ 14,597,327	\$ 12,178,629	\$ 31,753,595	\$ 24,396,488	\$ 17,366,067																																																							
2	\$ 2,580,856	\$ 2,663,328	\$ 2,717,121	\$ 1,680,854	\$ 1,329,885	\$ 755,507	\$ 1,538,517	\$ 2,833,489	\$ 2,227,542																																																							
3	\$ 11,557,553	\$ 10,866,535	\$ 9,396,462	\$ 7,488,656	\$ 3,702,633	\$ 776,903	\$ 7,583,035	\$ 11,656,253	\$ 11,265,242																																																							
4	\$ (10,257,852)	\$ (11,844,105)	\$ (26,716,178)	\$ (15,901,080)	\$ (19,007,021)	\$ (16,573,398)	\$ (36,606,193)	\$ (18,232,652)	\$ (12,453,432)																																																							
5	\$ 25,129,905	\$ 20,447,318	\$ 15,794,333	\$ 19,577,210	\$ 622,824	\$ (2,862,359)	\$ 4,268,954	\$ 20,653,578	\$ 18,405,419																																																							
6	\$ (704,392)	\$ (518,626)	\$ (516,931)	\$ (548,555)	\$ (767,381)	\$ (1,135,274)	\$ (1,058,495)	\$ (895,485)	\$ (1,275,394)																																																							
7	\$ 1,351,141	\$ 1,177,394	\$ 1,126,431	\$ 1,126,304	\$ 1,080,951	\$ 993,915	\$ 1,079,500	\$ 1,121,007	\$ 1,184,123																																																							
8	\$ 4,507	\$ 9,809	\$ 12,273	\$ 8,464	\$ 11,007	\$ 8,888	\$ 10,842	\$ 6,107	\$ 17,436																																																							
9	\$ (1,703,881)	\$ (1,515,291)	\$ (1,607,912)	\$ (1,359,448)	\$ (1,472,414)	\$ (1,420,266)	\$ (1,480,955)	\$ (1,577,782)	\$ (1,165,192)																																																							
10	\$ 24,077,280	\$ 19,600,604	\$ 14,808,194	\$ 18,803,975	\$ (525,013)	\$ (4,415,096)	\$ 2,819,846	\$ 19,307,425	\$ 17,166,392																																																							
AUTHORIZED NET EXPENSE-SYSTEM																																																																
11	\$ 118,454,461	\$ 10,015,962	\$ 11,979,075	\$ 6,937,925	\$ 5,310,561	\$ 5,039,557	\$ 6,119,078	\$ 10,757,020	\$ 9,665,785	\$ 12,519,647	\$ 11,359,422	\$ 12,877,645																																																				
12	\$ 2,324,182	\$ 2,195,451	\$ 2,306,191	\$ 2,036,664	\$ 978,477	\$ 1,076,887	\$ 2,266,701	\$ 2,342,250	\$ 2,275,764	\$ 2,346,297	\$ 2,283,837	\$ 2,337,481																																																				
13	\$ 5,500,597	\$ 5,979,584	\$ 5,617,375	\$ 3,069,671	\$ 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	\$ (58,637,113)	\$ (3,053,458)	\$ (2,201,112)	\$ (7,112,455)	\$ (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	\$ (9,204,726)	\$ (674,135)	\$ (774,215)	\$ (640,216)	\$ (753,096)	\$ (1,135,807)	\$ (947,332)	\$ (863,289)	\$ (704,998)	\$ (688,279)	\$ (671,240)	\$ (659,543)																																																				
16	\$ 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	\$ 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	\$ (697,180)	\$ (195,951)	\$ (58,289)	\$ 239,815	\$ 34,070	\$ (363,539)	\$ 127,100	\$ 94,085	\$ 68,100	\$ 67,115	\$ (61,050)	\$ (203,515)																																																				
19	\$ 163,555,401	\$ 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	\$ 21,506,721																																																				
20	\$ 1,206,408	\$ 4,179,371	\$ (3,214,581)	\$ 13,118,821	\$ 1,823,829	\$ (1,763,880)	\$ (4,418,599)	\$ 148,386	\$ (450,874)	\$ (21,869,181)	\$ (19,164,773)	\$ (21,506,721)																																																				
21	\$ (191,615)	\$ 7,744	\$ 735,130	\$ (1,796)	\$ (12,693)	\$ (397,115)	\$ (3,314,167)	\$ 150,959	\$ 2,610,693																																																							
22	\$ (52,103,409)	\$ 4,187,115	\$ (2,479,451)	\$ 13,117,025	\$ 1,811,136	\$ (2,160,995)	\$ (7,732,766)	\$ 299,345	\$ 2,159,819	\$ (21,869,181)	\$ (19,164,773)	\$ (21,506,721)																																																				
23	\$ (34,289,673)	\$ 813,684	\$ 2,756,378	\$ (1,632,229)	\$ 9,634,938	\$ 1,192,271	\$ (1,422,583)	\$ (5,090,480)	\$ 1,421,809	\$ (14,396,482)	\$ (12,616,170)	\$ (14,157,874)																																																				
24	\$ 6,032,101	\$ 126,425	\$ (825,548)	\$ 206,958	\$ 1,303,361	\$ 998,707	\$ 1,047,830	\$ 695,075	\$ 303,217																																																							
25	\$ 12,902,954	\$ 940,109	\$ 2,500,830	\$ 8,841,896	\$ 2,495,632	\$ (423,876)	\$ (4,042,650)	\$ 892,134	\$ 1,725,026																																																							
26	\$ 940,109	\$ 3,440,939	\$ 3,414,792	\$ 12,256,688	\$ 14,752,320	\$ 14,328,444	\$ 10,285,794	\$ 11,177,928	\$ 12,902,954																																																							
<table border="1"> <tr> <td>Indp. 10,000,000 to 10M</td> <td>\$ 0</td> <td>\$ 0</td> <td>\$ 0</td> <td>\$ 2,256,688</td> <td>\$ 4,752,320</td> <td>\$ 4,328,444</td> <td>\$ 285,794</td> <td>\$ 1,177,928</td> <td>\$ 2,902,954</td> <td>\$ 0</td> <td>\$ 0</td> <td>\$ 0</td> </tr> <tr> <td>Indp. 10,000,000 to 10M</td> <td>\$ 0</td> <td>\$ 0</td> <td>\$ 0</td> <td>\$ 6,000,000</td> <td>\$ 6,000,000</td> <td>\$ 6,000,000</td> <td>\$ 6,000,000</td> <td>\$ 6,000,000</td> <td>\$ 6,000,000</td> <td>\$ 0</td> <td>\$ 0</td> <td>\$ 0</td> </tr> <tr> <td>Indp. 10,000,000 to 10M</td> <td>\$ 940,109</td> <td>\$ 3,440,939</td> <td>\$ 3,414,792</td> <td>\$ 4,000,000</td> <td>\$ 4,000,000</td> <td>\$ 4,000,000</td> <td>\$ 4,000,000</td> <td>\$ 4,000,000</td> <td>\$ 4,000,000</td> <td>\$ 0</td> <td>\$ 0</td> <td>\$ 0</td> </tr> <tr> <td>Indp. 10,000,000 to 10M</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> <td>\$ 0</td> <td>\$ 0</td> <td>\$ 0</td> </tr> </table>													Indp. 10,000,000 to 10M	\$ 0	\$ 0	\$ 0	\$ 2,256,688	\$ 4,752,320	\$ 4,328,444	\$ 285,794	\$ 1,177,928	\$ 2,902,954	\$ 0	\$ 0	\$ 0	Indp. 10,000,000 to 10M	\$ 0	\$ 0	\$ 0	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 0	\$ 0	\$ 0	Indp. 10,000,000 to 10M	\$ 940,109	\$ 3,440,939	\$ 3,414,792	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 0	\$ 0	\$ 0	Indp. 10,000,000 to 10M	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Indp. 10,000,000 to 10M	\$ 0	\$ 0	\$ 0	\$ 2,256,688	\$ 4,752,320	\$ 4,328,444	\$ 285,794	\$ 1,177,928	\$ 2,902,954	\$ 0	\$ 0	\$ 0																																																				
Indp. 10,000,000 to 10M	\$ 0	\$ 0	\$ 0	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 0	\$ 0	\$ 0																																																				
Indp. 10,000,000 to 10M	\$ 940,109	\$ 3,440,939	\$ 3,414,792	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 0	\$ 0	\$ 0																																																				
Indp. 10,000,000 to 10M	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0																																																				
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<table border="1"> <tr> <td>Deferral Amount, Cumulative</td> <td>\$ 0</td> <td>\$ 0</td> <td>\$ 0</td> <td>\$ 5,031,019</td> <td>\$ 7,277,088</td> <td>\$ 6,895,600</td> <td>\$ 3,257,215</td> <td>\$ 4,080,135</td> <td>\$ 5,612,659</td> <td>\$ 0</td> <td>\$ 0</td> <td>\$ 0</td> </tr> <tr> <td>Deferral Amount, Monthly</td> <td>\$ 0</td> <td>\$ 0</td> <td>\$ 0</td> <td>\$ 5,031,019</td> <td>\$ 2,246,069</td> <td>\$ (381,488)</td> <td>\$ (3,638,385)</td> <td>\$ 802,920</td> <td>\$ 1,552,524</td> <td>\$ (5,612,659)</td> <td>\$ 0</td> <td>\$ 0</td> </tr> <tr> <td>Account 557 for Budget</td> <td>\$ 0</td> <td>\$ 0</td> <td>\$ 0</td> <td>\$ (5,031,019)</td> <td>\$ (2,246,069)</td> <td>\$ 381,488</td> <td>\$ 3,638,385</td> <td>\$ (802,920)</td> <td>\$ (1,552,524)</td> <td>\$ 5,612,659</td> <td>\$ 0</td> <td>\$ 0</td> </tr> </table>													Deferral Amount, Cumulative	\$ 0	\$ 0	\$ 0	\$ 5,031,019	\$ 7,277,088	\$ 6,895,600	\$ 3,257,215	\$ 4,080,135	\$ 5,612,659	\$ 0	\$ 0	\$ 0	Deferral Amount, Monthly	\$ 0	\$ 0	\$ 0	\$ 5,031,019	\$ 2,246,069	\$ (381,488)	\$ (3,638,385)	\$ 802,920	\$ 1,552,524	\$ (5,612,659)	\$ 0	\$ 0	Account 557 for Budget	\$ 0	\$ 0	\$ 0	\$ (5,031,019)	\$ (2,246,069)	\$ 381,488	\$ 3,638,385	\$ (802,920)	\$ (1,552,524)	\$ 5,612,659	\$ 0	\$ 0													
Deferral Amount, Cumulative	\$ 0	\$ 0	\$ 0	\$ 5,031,019	\$ 7,277,088	\$ 6,895,600	\$ 3,257,215	\$ 4,080,135	\$ 5,612,659	\$ 0	\$ 0	\$ 0																																																				
Deferral Amount, Monthly	\$ 0	\$ 0	\$ 0	\$ 5,031,019	\$ 2,246,069	\$ (381,488)	\$ (3,638,385)	\$ 802,920	\$ 1,552,524	\$ (5,612,659)	\$ 0	\$ 0																																																				
Account 557 for Budget	\$ 0	\$ 0	\$ 0	\$ (5,031,019)	\$ (2,246,069)	\$ 381,488	\$ 3,638,385	\$ (802,920)	\$ (1,552,524)	\$ 5,612,659	\$ 0	\$ 0																																																				
Company Band Gross Margin Impact, Cumulative																																																																
	\$ 940,109	\$ 3,440,939	\$ 3,414,792	\$ 7,225,669	\$ 7,475,232	\$ 7,432,844	\$ 7,028,579	\$ 7,117,793	\$ 7,290,295	\$ 0	\$ 0	\$ 0																																																				

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
1	11,707,330	9,220,343	21,533,250	17,886,771	6,988,003	4,912,860	24,568,853	17,419,630	11,225,393				125,442,433
2	151,380	178,359	204,918	243,801	61,076	1,851	120,211	178,320	284,359				1,424,275
3	882,536	871,017	869,662	640,550	1,007,639	793,710	979,166	902,324	899,790				7,845,394
4	124,067	66,882	114,000	102,873	136,410	456,188	116,097	161,283	136,124				1,413,924
5	457,314	457,314	457,314	684,950	457,314	457,314	457,314	457,314	457,314				4,343,462
6	116,071	116,071	116,071	116,071	116,071	116,071	116,071	116,071	124,153				1,052,721
7		0											
8	792	742	676	661	610	447	432	579	494				5,433
9	79,209	116,287	142,816	135,435	127,086	132,277	103,154	44,732	41,155				922,151
10	159,443	123,703	263,024	274,717	148,761	160,078	187,138		47,477				1,364,341
11	2,912,355	2,631,597	1,437,823	1,392,567	3	(1)							8,374,344
12	(615,229)	158,623	97,777	(117,691)	207,930	(80,024)	(154,528)	92,428	11,228				(399,486)
13	576,600	539,400	575,825	558,000	576,600	558,000	576,600	576,600	558,000				5,095,625
14	572,880	535,920	572,110	554,400	572,880	554,400	572,880	572,880	554,400				5,062,750
15	565,288	528,960	564,680	547,200	565,440	547,200	565,440	564,710	546,987				4,995,905
16	641,700	600,300	640,838	621,000	641,700	621,000	641,700	641,700	620,896				5,670,834
17	158,526	160,952	149,923	139,267	158,548	151,427	157,286	203,420	116,432				1,395,781
18	1,703,881	1,515,291	1,607,912	1,359,448	1,472,414	1,420,266	1,480,955	1,577,782	1,165,192				13,300,141
19	65,000	65,000	130,000	162,500	162,500	195,000	195,000	195,000	162,500				1,332,500
20	428,571	374,425	237,071	521,867	180,831	46,795	112,087	159,440	144,201				2,205,288
21	274,110	243,731	394,800	376,994	283,687	384,377	266,293	238,854	137,002				2,599,848
22	192,200	173,600	192,200		0	0	192,200	192,200	186,000				1,128,400
23	26,913	26,728	40,457	44,926	112,835	129,331	92,743	44,601	(101,855)				1,499,738
24					585,410	562,855	351,473						
25	68,411	56,315	53,781	52,473	53,579	57,207	55,030	56,620	49,825				503,241
26	21,249,348	18,761,560	30,396,928	26,298,780	14,597,327	12,178,629	31,753,595	24,396,488	17,366,067				196,998,722

(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	20,913,319	9,256,690	13,950,361	12,286,382	30,971,665	12,385,896	7,798,688				118,414,202
28	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000				1,350,000
29	10,628	12,160	116,996	10,795	8,797	14,545	142,826	64,564	126,386				507,698
30	38,937	34,967	30,009	30,633	29,366	31,780	31,589	33,915	55,806				317,002
31	277,449	250,009	325,237	389,928	265,372	119,365	305,905	337,133	269,822				2,540,220
32	(3,969)	(3,845)	(5,036)	(3,954)	(4,036)	(4,850)	(4,102)	(3,972)	(4,972)				(38,736)
33	616,718	535,338	577,445	619,106	236,992	180,859	476,185	618,776	397,268				4,278,687
34	308,207	183,433	227,772	244,649	172,918	58,989	112,087	191,927	152,294				1,652,276
35	4,532,060	4,013,938	4,326,655	5,150,760	4,143,672	3,679,121	4,365,007	4,397,793	3,458,315				38,067,321
36	68,411	56,315	53,781	52,473	53,579	57,207	55,031	56,620	49,825				503,242
37	10,257,852	11,844,105	26,716,178	15,901,080	19,007,021	16,573,398	36,606,193	18,232,652	12,453,432				167,591,912

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
501 FUEL-DOLLARS													
38 Kettle Falls	872,100	923,943	1,024,035	186,626	40,673	(51,371)	-	746,061	962,991	-	-	-	4,705,058
39 Colstrip	1,693,941	1,738,116	1,691,663	1,479,583	1,285,176	784,963	1,541,332	2,085,867	1,260,985	-	-	-	13,541,626
40 Total Coal & Wood	2,566,041	2,662,059	2,715,698	1,666,209	1,305,849	733,592	1,541,332	2,831,928	2,223,976	-	-	-	18,246,684
41 Kettle Falls GS	2,012	1,269	858	5,254	9,343	1,043	(3,169)	1,483	750	-	-	-	18,843
42 Colstrip	12,803	0	565	9,391	14,693	20,872	354	78	2,816	-	-	-	61,572
43 Total Oil & Gas	14,815	1,269	1,423	14,645	24,036	21,915	(2,815)	1,561	3,566	-	-	-	80,415
44 Total Account 501	2,580,856	2,663,328	2,717,121	1,680,854	1,329,885	755,507	1,538,517	2,833,489	2,227,542	-	-	-	18,327,099
501 FUEL-TONS													
45 Kettle Falls	44,035	47,683	52,849	9,679	1,282	-	-	31,060	18,860	-	-	-	205,448
46 Colstrip	102,698	98,215	104,690	93,586	88,447	51,047	91,008	99,138	86,490	-	-	-	815,319
501 FUEL-COST PER TON													
47 Kettle Falls	19.80 \$	19.38 \$	19.38 \$	19.28 \$	31.73 \$	- \$	- \$	24.02 \$	51.06 \$	-	-	-	22.90 \$
48 Colstrip	16.49 \$	17.70 \$	16.16 \$	15.81 \$	14.30 \$	15.38 \$	16.94 \$	21.04 \$	14.58 \$	-	-	-	16.61 \$
547 FUEL													
49 NE Combustion Turbine Gas/Oil	3,168	60,320	402	6,633	83,109	116	(351)	115,178	153	-	-	-	268,728
50 Boulder Park	427,640	52,113	12,877	376,549	20,022	19,673	114,111	317,901	138,663	-	-	-	1,479,549
51 Kettle Falls CT	108,578	19,666	19,133	1,228	(2,347)	(3,137)	9,531	109,354	16,920	-	-	-	278,926
52 Coyote Springs2	10,857,771	10,734,929	9,365,759	7,130,936	3,607,380	757,887	7,252,322	11,110,791	11,109,531	-	-	-	71,927,306
53 Rathdrum CT	160,396	(493)	(1,709)	(16,890)	(5,531)	2,364	207,422	3,029	(25)	-	-	-	348,763
54 Total Account 547	11,557,553	10,866,535	9,396,462	7,498,656	3,702,633	776,903	7,583,035	11,656,253	11,265,242	-	-	-	74,303,272
55 TOTAL NET EXPENSE	25,129,905	20,447,318	15,794,333	19,577,210	622,824	-2,862,359	4,268,954	20,653,578	18,405,419	0	0	0	122,037,181

AVISTA UTILITIES
 Washington Electric Jurisdiction
 Energy Recovery Mechanism Revenue Credit
 Month of September 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	454,243,077	410,770,259	396,727,234	405,571,768	456,022,074	453,225,332				4,142,787,555
Deduct Prior Month Unbilled kWhs	(349,731,143)	(359,263,450)	(310,223,462)	(324,127,882)	(302,404,440)	(290,139,509)	(283,498,932)	(312,226,357)	(315,533,313)	(292,805,965)			(3,139,954,459)
Add Current Month Unbilled kWhs	359,263,450	310,223,462	324,127,882	302,404,440	290,139,509	283,498,932	312,226,357	315,533,313	292,805,965				2,790,223,310
Washington Retail kWhs	556,496,790	507,980,082	476,147,678	432,519,635	398,505,328	390,086,657	434,299,193	459,329,030	430,497,984	(292,805,965)			3,793,056,412
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	(38,555,322)	(5,184,365)	(31,339,672)	(24,073,343)	(25,251,807)	(16,835,970)	(7,489,016)				(146,129,623)
WA Retail Revenue Credit (2)	0.04192	\$245,488	(\$1,616,249)	(\$217,330)	(\$1,313,767)	(\$1,009,161)	(\$1,058,562)	(\$705,764)	(\$313,940)	\$0	\$0	\$0	(\$6,125,785)
Net Wind Revenue Credit	\$10,076	\$10,060	\$10,173	\$10,372	\$10,406	\$10,454	\$10,732	\$10,689	\$10,723	\$0	\$0	\$0	\$93,685
Total Revenue Credit	(\$126,425)	\$255,548	(\$1,606,076)	(\$206,958)	(\$1,303,361)	(\$998,707)	(\$1,047,830)	(\$695,075)	(\$303,217)	\$0	\$0	\$0	(\$5,032,100)

(1) from Exhibit No. ___ (WGL-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	\$14,306.55	\$14,353.03	\$14,419.86	\$14,802.62	\$14,743.27	\$14,790.70	\$0.00	\$0.00	\$0.00	\$129,221.44
Deduct Admin Expense	\$3,821.98	\$3,815.90	\$3,859.61	\$3,934.30	\$3,947.08	\$3,965.46	\$4,070.72	\$4,054.40	\$4,067.44	\$0.00	\$0.00	\$0.00	\$35,535.90
0.005 x 65 = 0.275 per Revenue \$													
Net Wind Revenue Credit	\$10,076.13	\$10,060.09	\$10,172.70	\$10,372.25	\$10,405.95	\$10,454.40	\$10,731.90	\$10,688.87	\$10,723.26	\$0.00	\$0.00	\$0.00	\$93,685.54