

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



January 15, 2009

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

2009 JAN 21 AM 8:05  
RECEIVED  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Re: Docket No. UE-011595, Monthly Power Cost Deferral Report, December 2008

Dear Mr. Danner:

Enclosed are an original and five copies of Avista Corporation's Power Cost Deferral Report for the month of December 2008. The report includes the monthly energy recovery mechanism (ERM) accounting journal together with backup workpapers. In December actual net power costs were higher than authorized costs by \$2,497,942. The year to date difference is \$14,498,426 in the surcharge direction, with \$7,048,583 being deferred and \$7,449,843 being absorbed by the Company.

Actual power supply expense was higher than the authorized level due primarily to a settlement payment related to Colstrip fuel costs and higher loads. Avista incurred an expense of \$1.4 million (Washington allocation) for a settlement related to Federal royalties and State of Montana production taxes on Colstrip coal transportation costs. Because of very cold weather Washington retail sales were 51 aMW above the authorized level.

Hydro generation was 22 aMW above the authorized level. The average market purchase price was \$60.19/MWh and the average market sales price was \$50.20/MWh. Coyote Springs 2 generated 72 aMW above the authorized level due to economics. The average Coyote Springs 2 gas price was \$7.76/dth. Colstrip and Kettle Falls generated 13 aMW above and 1 aMW below the authorized levels, respectively. Net transmission expense (transmission expense less transmission revenue) was above the authorized level.

In December 2008 the deferral balances decreased by \$454,936. The December deferral was an increase of \$2,248,147, interest amounted to \$131,571, and amortization amounted to -\$2,834,654. The actual deferral balances at the end of December total \$37.0 million. The deferral balances would reach zero in the January 2010 timeframe based on the following assumptions:

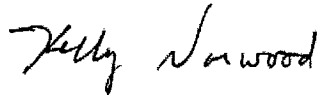
1. Projected deferrals of -\$3.960 million in 2009. (Note: Actual hydro generation will depend on precipitation, temperatures and other variables during the year.)
2. Forecasted amortizations of approximately \$31 million annually assuming no change in the existing surcharge rate.

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

balances net of associated deferred federal income tax. The Company's weighted cost of debt is used as the interest rate. The interest rate is updated semi-annually and interest is compounded semi-annually. The January and July reports contain the supporting workpapers for the semi-annual updates of the weighted cost of debt used in the interest calculations.

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

**Avista Corporation Journal Entry**

Effective Date: 200812

Journal: 481-WA ERM

Team: Resource Accounting

Type: C

Category: DJ

Last Saved by: Cheryl Kettner


Last Saved: 01/07/2009 4:10 PM

Submitted by: Cheryl Kettner

Seq.	Co.#	PERC	Ser.	Jur.	S.I.	Debit	Credit	Comment
10	001	557290 - WA ERM AMORTIZATION	ED	WA	DL			WA ERM surcharge amortization
20	001	182350 - REGULATORY ASSET ERM APPROVED FOR F	ED	WA	DL	2,834,654.00		WA ERM authorized for recovery
25	001	182350 - REGULATORY ASSET ERM APPROVED FOR F	ED	WA	DL	109,882.00		Accrue interest on deferral balance authorized for recovery
30	001	557280 - DEFERRED POWER SUPPLY EXPENSE	ED	WA	DL		3,386,893.00	WA ERM current month deferral
40	001	186280 - REGULATORY ASSET ERM DEFERRED CURF	ED	WA	DL	3,386,893.00		WA ERM current year deferral
60	001	186280 - REGULATORY ASSET ERM DEFERRED CURF	ED	WA	DL	23,750.00		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		133,632.00	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		376,322.00	Track 10% company band accumulation
170	001	186045 - REGULATORY ASSET ERM 10% CONTRA	ED	WA	DL		376,322.00	Contra account for 10% company band accumulation
<b>TOTALS:</b>						<b>6,731,501.00</b>	<b>6,731,501.00</b>	

**Explanation:**

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

  
Prepared by Cheryl Kettner

Date: 1/7/09

  
Reviewed by

Date: 1/7/09

Approved for Entry  
Corporate Accounting use Only

Date

**Avista Corporation Journal Entry**

Effective Date: 200812

Journal: NSJ041 - WA ERM Revision

Team: Resource Accounting

Type: C

Category: NSJ

Last Saved by: Cheryl Kettner

Submitted by: Cheryl Kettner

Seq.	Co.#	FERC	Ser.	Jur.	S.L.	Debit	Credit	Comment
10	001	557280 - DEFERRED POWER SUPPLY EXPENSE	ED	WA	DL	3,386,893.00		WA ERM Current Month Deferral - Reversal
20	001	186280 - REGULATORY ASSET ERM DEFERRED CURF	ED	WA	DL		3,386,893.00	WA ERM Current Year Deferral - Reversal
30	001	557280 - DEFERRED POWER SUPPLY EXPENSE	ED	WA	DL	2,248,147.00		WA ERM Current Month Deferral - Revised
40	001	186280 - REGULATORY ASSET ERM DEFERRED CURF	ED	WA	DL		2,248,147.00	WA ERM Current Year Deferral - Revised
50	001	186280 - REGULATORY ASSET ERM DEFERRED CURF	ED	WA	DL	23,750.00		Accrue Interest On Cur year Def Bal - Reversal
60	001	419600 - INTEREST ON ENERGY DEFERRALS	ED	WA	DL	23,750.00		Non-utility Interest Income - Reversal
70	001	186280 - REGULATORY ASSET ERM DEFERRED CURF	ED	WA	DL	21,689.00		Accrue Interest On Cur year Def Bal - Revised
80	001	419600 - INTEREST ON ENERGY DEFERRALS	ED	WA	DL	21,689.00		Non-utility Interest Income - Revised
90	001	186040 - REGULATORY ASSET ERM 10% COMPANY	ED	WA	DL	376,322.00		Track 10% Co Band Accum - Reversal.
100	001	186045 - REGULATORY ASSET ERM 10% CONTRA	ED	WA	DL		376,322.00	Contra Acct for 10% Co Band Accum - Reversal
110	001	186040 - REGULATORY ASSET ERM 10% COMPANY	ED	WA	DL	249,795.00		Track 10% Co Bank Accum - Revised
120	001	186045 - REGULATORY ASSET ERM 10% CONTRA	ED	WA	DL		249,795.00	Contra Acct for 10% Co Band Accum - Revised
<b>TOTALS:</b>						<b>6,306,596.00</b>	<b>6,306,596.00</b>	

*Cheryl Kettner*  
 Prepared by Cheryl Kettner  
 Date: 1/9/09

Reviewed by \_\_\_\_\_  
 Approved for Entry \_\_\_\_\_  
 Corporate Accounting use Only  
 Date: 1/9/09

Explanation:  
 To revise DJ481 WA ERM journal for December 2008.

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
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	
200810	USD	772,341.00		4,957,085.00	
200811	USD	3,098.00		4,953,987.00	
200812	USD	2,269,836.00		7,223,823.00	

**ERM Deferral Balance (Current Year - 2008)**

**Account 186280.ED.WA**

Balance 11/30/08  
 Deferral  
 Interest  
 Balance 12/31/08

Amount	Journal ID
\$4,953,987.00	
\$2,248,147.00	NSJ041-WA ERM
21,689.00	NSJ041-WA ERM
<u>\$7,223,823.00</u>	

Year to date deferrals  
 Year to date interest  
 Balance in account

\$7,048,583.00
175,240.00
<u>\$7,223,823.00</u>

Detail Balances (AVA CORP) - 001.186290.ED.WA.DL					
Balance Type		Actual		Currency Type	Entered
				Factor	Units
Period	Currency	PTD	PTD Converted	YTD	YTD Converted
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	
200810	USD	0.00		0.00	
200811	USD	0.00		0.00	
200812	USD	0.00		0.00	

**ERM Deferral Balance (Prior year - 2007)**

**Account 186290.ED.WA**

Balance 11/30/08  
 No current month activity  
 Balance 12/31/08

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

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
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	
200810	USD	2,142,057.00		34,643,513.65	
200811	USD	2,190,558.00		32,452,955.65	
200812	USD	2,724,772.00		29,728,183.65	

**Recoverable Deferral Balance**

**Account 182350.ED.WA**

Balance 11/30/08  
 Amortization  
 Interest  
 Balance 12/31/08

<u>Amount</u>	<u>Journal ID</u>
\$32,452,955.65	
-2,834,654.00	481 - WA ERM
109,882.00	481 - WA ERM
<u>\$29,728,183.65</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
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	
200810	USD	0.00		4,000,000.00	
200811	USD	0.00		4,000,000.00	
200812	USD	0.00		4,000,000.00	

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

Balance 11/30/08  
 Current month entry  
 Balance 12/31/08

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%	4,498,426.00	449,843.00	4,048,583.00
<b>Total</b>	<b>\$14,498,426.00</b>	<b>\$7,449,843.00</b>	<b>\$7,048,583.00</b>

Detail Balances (AVA CORP) - 001.186020.ED.WA.DL					
Balance Type <b>Actual</b>			Currency Type <b>Entered</b>	Factor <b>Units</b>	
Period	Currency	PTD	PTD Converted	YTD	YTD Converted
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	
200810	USD	0.00		4,000,000.00	
200811	USD	0.00		4,000,000.00	
200812	USD	0.00		4,000,000.00	

**ERM \$4M Deadband Contra Account**

**Account 186020.ED.WA**

Balance 11/30/08  
 Current month entry  
 Balance 12/31/08

Amount	Journal ID
-\$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
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	
200810	USD	0.00		3,000,000.00	
200811	USD	0.00		3,000,000.00	
200812	USD	0.00		3,000,000.00	

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

	<u>Amount</u>	<u>Journal ID</u>
Balance 11/30/08	\$3,000,000.00	
Current month entry	0.00	481 - WA ERM
Balance 12/31/08	<u>\$3,000,000.00</u>	

	<u>Total</u>	<u>Absorbed</u>	<u>Deferred</u>
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%	4,498,426.00	449,843.00	4,048,583.00
<b>Total</b>	<u>\$14,498,426.00</u>	<u>\$7,449,843.00</u>	<u>\$7,048,583.00</u>

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

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

Period	Currency	PTD	PTD Converted	YTD	YTD Converted
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	
200810	USD	0.00		-3,000,000.00	
200811	USD	0.00		-3,000,000.00	
200812	USD	0.00		-3,000,000.00	

Journal Details      Summary Balances

**ERM 50%-50% Sharing Contra Account**  
**Account 186035.ED.WA**

Balance 11/30/08  
 Current month entry  
 Balance 12/31/08

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
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	
200810	USD	87,940.00		202,355.00	
200811	USD	2,307.00		200,048.00	
200812	USD	249,795.00		449,843.00	

Journal Details      Summary Balances

**ERM 90%-10% Sharing Band**

**Account 186040.ED.WA**

Balance 11/30/08  
 Current month entry  
 Balance 12/31/08

Amount	Journal ID
\$200,048.00	
249,795.00	NSJ041-WA ERM
<u>\$449,843.00</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
4,498,426.00	449,843.00	4,048,583.00
<u>\$14,498,426.00</u>	<u>\$7,449,843.00</u>	<u>\$7,048,583.00</u>

Detail Balances (AVA CORP) - 001.186045.ED.WA.DL					
Balance Type: <b>Actual</b>		Currency Type: <b>Entered</b>		Factor: <b>Units</b>	
Period	Currency	PTD	PTD Converted	YTD	YTD Converted
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	
200810	USD	87,940.00		202,355.00	
200811	USD	2,307.00		200,048.00	
200812	USD	249,795.00		449,843.00	

**ERM 90%-10% Sharing Contra Account**

**Account 186045.ED.WA**

Balance 11/30/08  
 Current month entry  
 Balance 12/31/08

<u>Amount</u>	<u>Journal ID</u>
-\$200,048.00	
-249,795.00	481 - WA ERM
<u>-\$449,843.00</u>	

Detail Balances (AWA CORP) - 001.283280.ED.WA.DL					
Balance Type: <b>Actual</b>			Currency Type: <b>Entered</b>		
			Factor: <b>Units</b>		
Period	Currency	PTD	PTD Converted	YTD	YTD Converted
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	
200810	USD	1,020,039.30		-13,860,208.65	
200811	USD	767,779.60		-13,092,429.05	
200812	USD	159,227.60		-12,933,201.45	

**DFIT Associated with ERM Deferrals**

**Account 283280.ED.WA**

Account 186280.ED.WA balance	\$7,223,823.00
Account 186290.ED.WA balance	0.00
Account 182350.ED.WA balance	29,728,183.65
Total	<u>\$36,952,006.65</u>
Federal income tax rate	-35%
Deferred FIT related to deferrals	<u>-\$12,933,202</u>
Rounding	1
Balance in account	<u><u>-\$12,933,201</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:		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
<b>Account 186280</b>				<b>2008 Interest</b>			
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					
				<b>January</b>	<b>DFIT Expense</b>	<b>ADFIT</b>	
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	
				<b>February</b>	<b>DFIT Expense</b>	<b>ADFIT</b>	
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	
				<b>March</b>	<b>DFIT Expense</b>	<b>ADFIT</b>	
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	
				<b>April</b>	<b>DFIT Expense</b>	<b>ADFIT</b>	
April	ERM Deferral	5,031,019	Deferral	1,760,857	Operating	(1,760,857)	
April	Interest		Interest	3,739	Nonoperating	(3,739)	
04-30-2008	Balance before interest	5,031,019		1,764,596	Total	(1,764,596)	
				<b>May</b>	<b>DFIT Expense</b>	<b>ADFIT</b>	
May	ERM Deferral	2,246,069	Deferral	786,124	Operating	(786,124)	
May	Interest		Interest	9,147	Nonoperating	(9,147)	
05-31-2008	Balance before interest	7,277,088		795,271	Total	(795,271)	
				<b>June</b>	<b>DFIT Expense</b>	<b>ADFIT</b>	
June	ERM Deferral	(381,488)	Deferral	(133,521)	Operating	133,521	
June	Interest		Interest	10,533	Nonoperating	(10,533)	
06-30-2008	Balance before interest	6,895,600		(122,988)	Total	122,988	
06-30-2008	GL Balance including interest	6,962,511					
				<b>July</b>	<b>DFIT Expense</b>	<b>ADFIT</b>	
July	ERM Deferral	(3,638,385)	Deferral	(1,273,435)	Operating	1,273,435	
July	Interest		Interest	6,517	Nonoperating	(6,517)	
07-31-2008	Balance before interest	3,324,126		(1,266,918)	Total	1,266,918	
				<b>August</b>	<b>DFIT Expense</b>	<b>ADFIT</b>	
August	ERM Deferral	802,920	Deferral	281,022	Operating	(281,022)	
August	Interest		Interest	4,720	Nonoperating	(4,720)	
08-31-2008	Balance before interest	4,127,046		285,742	Total	(285,742)	
				<b>September</b>	<b>DFIT Expense</b>	<b>ADFIT</b>	
September	ERM Deferral	1,552,524	Deferral	543,383	Operating	(543,383)	
September	Interest		Interest	6,213	Nonoperating	(6,213)	
09-30-2008	Balance before interest	5,679,570		549,596	Total	(549,596)	
				<b>October</b>	<b>DFIT Expense</b>	<b>ADFIT</b>	
October	ERM Deferral	(791,468)	Deferral	(277,014)	Operating	277,014	
October	Interest		Interest	6,694	Nonoperating	(6,694)	
10-31-2008	Balance before interest	4,888,102		(270,320)	Total	270,320	
				<b>November</b>	<b>DFIT Expense</b>	<b>ADFIT</b>	
November	ERM Deferral	(20,755)	Deferral	(7,264)	Operating	7,264	
November	Interest		Interest	6,180	Nonoperating	(6,180)	
11-30-2008	Balance before interest	4,867,347		(1,084)	Total	1,084	
				<b>December</b>	<b>DFIT Expense</b>	<b>ADFIT</b>	
December	ERM Deferral	2,248,147	Deferral	786,851	Operating	(786,851)	
December	Interest		Interest	7,591	Nonoperating	(7,591)	
12-31-2008	Balance before interest	7,115,494		794,442	Total	(794,442)	
				<b>GL Balance</b>	<b>Activity</b>	<b>GL Balance</b>	
<b>Net ERM Balance</b>				<b>11-30-08</b>	<b>Dec-08</b>	<b>12-31-08</b>	
				4,953,987	2,269,836	7,223,823	
<b>ADFIT Balance</b>							



Changes Semiannually on January 1 and July 1 Beginning 7/1/02							
The rate is based on Avista's actual cost of debt, updated semiannually.							
The actual cost of debt calculated at 6/30 will be used for the interest calculation from July through December.							
The actual cost of debt calculated at 12/31 will be used for the interest calculation from January through June.							
Interest will be accrued monthly and compounded semi-annually.							
Interest is calculated using the prior month ending balance plus 1/2 month of current month charges times the current after tax interest rate							
Actual cost of debt at 12/31/07 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
<b>Account 186290</b>		<b>2008 Interest</b>					
12-31-2007	GL Balance including interest	0					
01-31-2008	Transfer from 186280	\$16,564,895					
01-31-2008	GL Balance including interest	\$16,564,895		January	DFIT Expense		ADFIT
January	Interest		70,346	Interest	24,621	Nonoperating	(24,621)
01-31-2008	Balance before interest	16,564,895			24,621	Total	(24,621)
				February	DFIT Expense		ADFIT
February	Interest		70,346	Interest	24,621	Nonoperating	(24,621)
02-29-2008	Balance before interest	16,564,895			24,621	Total	(24,621)
				March	DFIT Expense		ADFIT
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)
				April	DFIT Expense		ADFIT
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)
				May	DFIT Expense		ADFIT
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)
				June	DFIT Expense		ADFIT
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		July	DFIT Expense		ADFIT
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
				August	DFIT Expense		ADFIT
August	Interest	0	0	Deferral	0	Operating	0
08-31-2008	Balance before interest	0		Interest	0	Nonoperating	0
					0	Total	0
				September	DFIT Expense		ADFIT
September	Interest	0	0	Deferral	0	Operating	0
09-30-2008	Balance before interest	0		Interest	0	Nonoperating	0
					0	Total	0
				October	DFIT Expense		ADFIT
October	Interest	0	0	Deferral	0	Operating	0
10-31-2008	Balance before interest	0		Interest	0	Nonoperating	0
					0	Total	0
				November	DFIT Expense		ADFIT
November	Interest	0	0	Deferral	0	Operating	0
11-30-2008	Balance before interest	0		Interest	0	Nonoperating	0
					0	Total	0
				December	DFIT Expense		ADFIT
December	Interest	0	0	Deferral	0	Operating	0
12-31-2008	Balance before interest	0		Interest	0	Nonoperating	0
					0	Total	0
	<b>Net ERM Balance</b>	0		<b>GL Balance</b>	<b>Activity</b>	<b>GL Balance</b>	
				<b>11-30-08</b>	<b>Dec-08</b>	<b>12-31-08</b>	
	<b>ADFIT Balance</b>	0		0	0	0	
<b>When WUTC deems 2007 deferred power costs prudent - reclass to 182350.</b>							
<b>Prudency granted 7/31/08.</b>							

Changes Semiannually on January 1 and July 1 Beginning 7/1/02						
The rate is based on Avista's actual cost of debt, updated semiannually.						
The actual cost of debt calculated at 6/30 will be used for the interest calculation from July through December.						
The actual cost of debt calculated at 12/31 will be used for the interest calculation from January through June.						
Interest will be accrued monthly and compounded semi-annually.						
Interest is calculated using the prior month ending balance plus 1/2 month of current month charges times the current after tax interest rate						
Actual cost of debt at 12/31/07 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			
12-31-2007	GL Balance including interest	41,958,848		January	DFIT Expense	ADFIT
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
				February	DFIT Expense	ADFIT
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
				March	DFIT Expense	ADFIT
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
				April	DFIT Expense	ADFIT
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
				May	DFIT Expense	ADFIT
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
				June	DFIT Expense	ADFIT
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		July	DFIT Expense	ADFIT
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
				August	DFIT Expense	ADFIT
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
				September	DFIT Expense	ADFIT
September	Surcharge Amortization	(2,491,067)		Amortization	(871,873)	Operating 871,873
September	Interest		136,014	Interest	47,605	Nonoperating (47,605)
09-30-2008	Balance before interest	36,327,293			(824,268)	Total 824,268
				October	DFIT Expense	ADFIT
October	Surcharge Amortization	(2,245,950)		Amortization	(786,083)	Operating 786,083
October	Interest		127,440	Interest	44,604	Nonoperating (44,604)
10-31-2008	Balance before interest	34,081,343			(741,479)	Total 741,479
				November	DFIT Expense	ADFIT
November	Surcharge Amortization	(2,309,752)		Amortization	(808,413)	Operating 808,413
November	Interest		119,194	Interest	41,718	Nonoperating (41,718)
11-30-2008	Balance before interest	31,771,591			(766,695)	Total 766,695
				December	DFIT Expense	ADFIT
December	Surcharge Amortization	(2,834,654)		Amortization	(992,129)	Operating 992,129
December	Interest		109,882	Interest	38,459	Nonoperating (38,459)
12-31-2008	Balance before interest	28,936,937			(953,670)	Total 953,670
				GL Balance	Activity	GL Balance
				11-30-2008	Dec-08	12-31-2008
	Net ERM Balance	29,728,184		32,452,956	(2,724,772)	29,728,184
	ADFIT Balance	(10,404,864)				

		Interest		
	182350	186280	186290	419600
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	136,014	17,750	0	(153,764)
Total				
10-31-2008	127,440	19,127	0	(146,567)
Total				
11-30-2008	119,194	17,657	0	(136,851)
Total				
12-31-2008	109,882	21,689	0	(131,571)
Total				

Interest and DFT Summary



AVISTA CORPORATION  
 DECEMBER 2008 WASHINGTON ELECTRIC SURCHARGE REVENUE & DEFERRAL AMORTIZATION

Schedule	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)	Rate On/After 1-Jan-06 (j)	Total (h)+(i)		
1 (0-600 kWh)	46.392%	109,222,423	0.00%	100.00%	0.405¢	0.446¢	\$0	\$487,132	\$487,132	0.956325	\$465,857	
1 (601-1300 kWh)	31.193%	73,438,848	0.00%	100.00%	0.607¢	0.668¢	0	490,572	490,572	0.956325	469,146	
1 (over 1300 kWh)	22.415%	52,772,475	0.00%	100.00%	0.853¢	0.938¢	0	495,006	495,006	0.956325	473,387	
Total Sch 1	100.000%	235,433,746					0	1,472,710	1,472,710		1,408,390	
11		33,313,468	0.00%	100.00%	0.788¢	0.867¢	0	288,828	288,828	0.956325	276,213	
12		4,370,738	0.00%	100.00%	0.788¢	0.867¢	0	37,894	37,894	0.956325	36,239	
21		131,812,687	0.00%	100.00%	0.549¢	0.604¢	0	796,149	796,149	0.956325	761,377	
22		3,251,865	0.00%	100.00%	0.549¢	0.604¢	0	19,641	19,641	0.956325	18,783	
25		74,408,900	0.00%	100.00%	0.352¢	0.387¢	0	287,962	287,962	0.956325	275,385	
30		1,780	0.00%	100.00%	0.485¢	0.534¢	0	10	10	0.956325	10	
31		3,069,237	0.00%	100.00%	0.485¢	0.534¢	0	16,390	16,390	0.956325	15,674	
32		335,600	0.00%	100.00%	0.485¢	0.534¢	0	1,792	1,792	0.956325	1,714	
41-46		\$331,690	0.00%	100.00%	9.78%	9.84%	0	28,728	28,728	0.956325	27,473	
47		\$97,364	0.00%	100.00%	9.78%	9.84%	0	8,433	8,433	0.956325	8,065	
48		\$64,358	0.00%	100.00%	9.78%	9.84%	0	5,574	5,574	0.956325	5,331	
Schedule Totals		485,998,021					\$0	\$2,964,111	\$2,964,111		\$2,834,654	
kWh not subject to surcharge												-35%
Sch 28		0										DFIT Expense
Sch 41-48		2,227,644										0h
Total kWh		488,225,665										

Accounting Period	200812	State Code	WA
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Rate Schedule Num	Meters	Usage	Revenue Amt	YTD Avg Meters	Ytd Usage	Ytd Revenue Amt
001	200,097	235,433,746	17,365,956	198,705	2,380,895,525	171,735,806
011	19,145	33,313,468	3,340,056	19,158	371,182,275	37,615,410
012	7,849	4,370,738	470,431	7,727	45,521,826	4,911,960
021	3,243	131,812,687	10,034,702	3,241	1,537,600,091	117,178,807
022	77	3,251,865	243,438	74	38,245,152	2,776,006
025	22	74,408,900	3,780,301	22	930,332,149	46,731,314
028	0	0	17,350	1	862,000	309,781
030	34	1,780	309	38	26,900,200	1,589,966
031	1,089	3,069,237	220,219	1,090	94,933,000	6,467,657
032	1,214	335,600	30,703	1,187	12,091,508	888,182
041	11	8,720	1,671	11	104,640	20,049
042	271	1,119,070	306,271	265	13,353,084	3,652,453
044	13	21,203	2,244	13	255,292	27,005
045	3	88,216	5,498	3	1,059,649	65,981
046	19	189,892	16,006	18	2,268,372	190,642
7	0	504,430	97,364	0	6,003,534	1,150,758
048	0	296,113	64,358	0	3,601,324	774,258
058	0	0	1,274,689	0	0	14,002,638
058A	0	0	-9,182	0	0	-89,310
063	0	0	0	0	0	0
090	0	0	4	0	0	48
095	0	0	20,285	0	0	178,759
099	0	0	45,921	0	0	705,822
Sum	233,087	488,225,665	37,328,593	231,554	5,465,209,621	410,883,992

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Utilities  
 ER COST DEFERRALS

Line No.	2008 WA Actual Deferrals xisWA summary	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	\$278,090,199	\$18,761,560	\$30,396,928	\$26,298,780	\$14,597,327	\$12,178,629	\$31,753,595	\$24,396,488	\$17,966,067	\$22,399,559	\$25,603,460	\$33,088,458
2	501 Thermal Fuel	\$27,271,227	\$2,663,328	\$2,717,121	\$1,680,854	\$1,329,885	\$755,507	\$1,538,517	\$2,833,489	\$2,227,542	\$1,744,550	\$2,126,763	\$5,072,815
3	547 CT Fuel	\$107,175,030	\$11,567,553	\$10,866,535	\$7,498,656	\$3,702,633	\$776,903	\$7,583,035	\$11,656,253	\$11,265,242	\$11,039,321	\$9,673,576	\$12,168,861
4	447 Sale for Resale	\$(224,672,879)	\$(11,844,105)	\$(26,716,178)	\$(15,901,080)	\$(19,007,021)	\$(16,573,398)	\$(36,606,193)	\$(18,232,652)	\$(12,453,432)	\$(16,186,131)	\$(18,783,748)	\$(22,111,089)
5	Actual Net Expense	\$187,863,571	\$20,447,318	\$15,794,333	\$19,577,210	\$622,824	\$2,862,359	\$4,268,954	\$20,653,578	\$18,405,419	\$18,937,299	\$18,620,051	\$28,209,045
6	456016/100700 Transmission Revenue	\$(9,548,673)	\$(704,392)	\$(518,626)	\$(516,931)	\$(767,381)	\$(1,135,274)	\$(1,058,495)	\$(895,485)	\$(1,275,394)	\$(671,131)	\$(816,288)	\$(640,721)
7	565 Transmission Expense	\$13,631,999	\$1,351,141	\$1,177,394	\$1,126,431	\$1,080,951	\$983,915	\$1,079,500	\$1,121,007	\$1,184,123	\$1,088,129	\$1,157,969	\$1,145,135
8	557170 Broker Fees	\$11,467	\$4,507	\$9,809	\$12,273	\$11,007	\$8,888	\$10,842	\$6,107	\$17,436	\$4,659	\$10,969	\$6,506
9	Less Pollatch 62 aMW directly to ID	\$(17,950,561)	\$(1,703,881)	\$(1,515,291)	\$(1,607,912)	\$(1,472,414)	\$(1,420,266)	\$(1,480,955)	\$(1,577,782)	\$(1,165,192)	\$(1,382,654)	\$(1,637,655)	\$(1,647,141)
10	Adjusted Actual Net Expense	\$174,107,809	\$19,600,604	\$14,808,194	\$18,803,975	\$(525,013)	\$(4,415,096)	\$2,819,846	\$19,307,425	\$17,166,392	\$18,056,332	\$17,335,046	\$27,072,824
<b>AUTHORIZED NET EXPENSE-SYSTEM</b>													
11	555 Purchased Power	\$118,454,461	\$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	\$12,877,645
12	501 Thermal Fuel	\$24,772,212	\$2,324,182	\$2,306,191	\$2,038,664	\$978,477	\$1,076,887	\$2,266,701	\$2,342,250	\$2,275,764	\$2,348,297	\$2,283,837	\$2,337,481
13	547 CT Fuel	\$75,022,747	\$5,500,597	\$5,979,584	\$3,069,671	\$2,715,420	\$2,339,513	\$6,293,663	\$7,938,629	\$8,964,531	\$8,719,367	\$9,214,143	\$8,672,254
14	447 Sale for Resale	\$(58,637,113)	\$(1,823,694)	\$(3,053,456)	\$(2,201,112)	\$(7,112,455)	\$(10,761,577)	\$(7,774,515)	\$(2,261,396)	\$(2,805,726)	\$(2,270,716)	\$(4,113,089)	\$(2,671,351)
15	456100 Transmission Revenue	\$(9,204,726)	\$(712,626)	\$(674,135)	\$(640,216)	\$(753,096)	\$(1,135,807)	\$(947,392)	\$(863,299)	\$(704,938)	\$(668,279)	\$(671,240)	\$(659,543)
16	565 Transmission Expense	\$13,752,996	\$1,146,083	\$1,146,083	\$1,146,083	\$1,146,083	\$1,146,083	\$1,146,083	\$1,146,083	\$1,146,083	\$1,146,083	\$1,146,083	\$1,146,083
17	557 Broker Fees	\$82,004	\$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)	\$(58,289)	\$(239,815)	\$34,070	\$(383,539)	127,100	\$94,085	\$68,100	\$7,115	\$(61,050)	\$(203,515)
19	Authorized Net Expense	\$163,555,401	\$15,421,233	\$18,022,775	\$5,665,154	\$(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	Actual - Authorized Net Expense	\$10,552,408	\$4,179,371	\$3,824,581	\$13,118,821	\$1,823,829	\$(1,763,880)	\$(4,418,599)	\$148,386	\$(450,874)	\$(3,812,849)	\$(1,829,727)	\$5,566,103
21	557 Resource Optimization	\$1,109,067	\$29,630	\$7,744	\$735,130	\$(1,796)	\$(397,115)	\$(3,314,167)	\$150,959	\$2,610,693	\$97,936	\$517,502	\$685,244
22	Adjusted Net Expense	\$11,661,475	\$1,236,038	\$4,197,115	\$(2,479,451)	\$13,117,025	\$(1,811,136)	\$(7,732,766)	\$299,345	\$2,159,819	\$(3,714,913)	\$(1,312,225)	\$6,251,347
23	Washington Alloc. @ 65.83%	\$7,676,750	\$813,684	\$2,756,378	\$(1,632,223)	\$9,634,938	\$1,192,271	\$(5,090,480)	\$197,059	\$1,421,809	\$(2,445,527)	\$(866,838)	\$4,115,282
24	WA Retail Revenue Adjustment	\$6,821,676	\$126,425	\$1,606,076	\$206,958	\$1,303,361	\$998,707	\$1,047,830	\$695,075	\$303,217	\$1,566,119	\$840,776	\$(1,617,320)
25	Net Power Cost Increase (Decrease)	\$14,498,426	\$940,109	\$2,500,830	\$(26,147)	\$8,841,895	\$(24,956,632)	\$(4,042,650)	\$892,134	\$1,725,026	\$(879,408)	\$(23,062)	\$2,497,942
26	Cumulative Balance	\$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	\$12,023,546	\$12,000,484	\$14,498,426
Deferral % Input: 10,000,000 and up: 90% Input: 4,000,000 to \$10M: 50% Input: 0 to \$4M: 0% check # should be zero													
Deferral Amount, Cumulative Deferral Amount, Monthly Account 557 for Budget Company Band Gross Margin Impact, Cumulative													

customer deferred  
 \$2,248,147  
 \$20,755  
 \$7,048,583  
 \$7,200,048  
 \$7,449,843

**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	6,968,003	4,912,860	24,568,853	17,419,630	11,225,393	15,438,376	14,943,876	21,512,671	177,337,356
2	151,380	178,359	204,918	243,801	61,076	1,851	120,211	178,320	284,359	190,788	219,964	240,325	2,075,352
3	882,536	871,017	869,662	640,550	1,007,639	793,710	979,166	902,324	898,790	123,021	823,722	972,856	9,764,993
4	124,067	66,882	114,000	102,873	136,410	456,188	116,097	161,283	136,124	128,411	151,228	421,955	2,115,518
5	457,314	457,314	457,314	684,950	457,314	457,314	457,314	457,314	457,314	457,314	457,314	457,314	5,715,404
6	116,071	116,071	116,071	116,071	116,071	116,071	116,071	116,071	124,153	1,057,654	1,057,654	947,533	4,115,562
7		0								13,005	(8)		12,997
8	792	742	676	661	610	447	432	579	494	385	994	242	7,054
9	79,209	116,287	142,816	135,435	127,086	132,277	103,154	44,792	41,155	42,922	59,396	61,383	1,085,852
10	159,443	123,703	263,024	274,717	148,761	160,078	187,138	-	47,477	104,976	110,691	196,457	1,776,465
11	2,912,355	2,631,597	1,437,823	1,392,567	3	(1)					3,022,691	3,123,031	14,520,066
12	(615,229)	158,623	97,777	(117,691)	207,930	(80,024)	(154,528)	92,428	11,228	105,146	4,375	12,350	(277,615)
13	576,600	539,400	575,825	558,000	576,600	558,000	576,600	576,600	558,000	576,600	558,775	576,600	6,807,600
14	572,880	535,920	572,110	554,400	572,880	554,400	572,880	572,880	554,400	572,880	555,170	572,880	6,763,680
15	565,288	528,960	564,680	547,200	565,440	547,200	565,440	564,710	546,987	565,440	547,960	565,440	6,674,745
16	641,700	600,300	640,838	621,000	641,700	621,000	641,700	641,700	620,896	641,700	621,863	641,700	7,576,097
17	158,526	160,952	149,923	139,267	158,548	151,427	157,286	203,420	116,432	209,047	187,660	207,071	1,999,559
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	1,362,624	1,637,655	1,647,141	17,950,561
19	65,000	65,000	130,000	162,500	162,500	195,000	195,000	195,000	162,500	162,500	32,500	48,750	1,576,250
20	428,571	374,425	237,071	521,867	180,831	46,795	112,087	159,440	144,201	196,232	172,784	356,266	2,930,570
21	274,110	243,731	394,800	376,994	283,687	384,377	266,293	238,854	137,002	186,740	177,070	247,776	3,211,434
22	192,200	173,600	192,200	-	0	0	192,200	192,200	186,000	192,200	186,000	192,200	1,698,800
23	26,913	26,728	40,457	44,926	112,835	129,331	92,743	44,601	(101,855)	20,692	21,820	13,184	1,499,738
24	68,411	56,315	53,781	52,473	53,579	57,207	55,030	56,620	49,825	50,906	52,306	73,333	679,786
25	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	22,399,559	25,603,460	33,088,458	278,090,199
26													

(1) Effective November, 2008, WNP-3 purchase expense has been adjusted to reflect the mid-point price, \$39.38/MWh for the 2008-09 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	11,924,870	14,753,889	17,266,003	162,358,964
28	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	1,800,000
29	10,628	12,160	116,996	10,795	8,797	14,545	142,826	64,564	126,386	9,061	14,746	28,476	559,981
30	38,937	34,967	30,009	30,633	29,366	31,780	31,589	33,915	55,806	31,718	46,173	49,396	444,289
31	277,449	250,009	325,237	389,928	265,372	119,365	305,905	337,133	269,822	250,064	220,952	273,418	3,284,654
32											34,300	72,117	106,417
33	(3,969)	(3,845)	(5,036)	(3,954)	(4,036)	(4,850)	(4,102)	(3,972)	(4,972)	(4,101)	(3,971)	(4,101)	(50,909)
34	616,718	555,338	577,445	619,106	236,992	180,859	476,185	618,776	397,268	413,920	382,911	428,111	5,503,629
35	308,207	183,433	227,772	244,649	172,918	58,989	112,087	191,927	152,294	109,613	116,405	275,501	2,153,795
36	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	3,250,080	3,016,037	3,498,835	47,832,273
37	68,411	56,315	53,781	52,473	53,579	57,207	55,031	56,620	49,825	50,906	52,306	73,333	679,787
38	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	16,186,131	18,783,748	22,111,089	224,672,880



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													
<b>501 FUEL-DOLLARS</b>																										
39	872,100	923,943	1,024,035	186,626	40,673	(51,371)	-	746,061	962,991	310,557	991,369	1,492,915	7,499,899													
40	1,693,941	1,738,116	1,691,663	1,479,583	1,265,176	784,963	1,541,332	2,085,867	1,260,985	1,358,851	1,132,866	3,575,916	19,609,259													
41	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	1,669,408	2,124,235	5,068,831	27,109,158													
42	2,012	1,269	858	5,254	9,343	1,043	(3,169)	1,483	750	(22)	(5)	3,984	22,800													
43	12,803	0	565	9,391	14,693	20,872	354	78	2,816	75,164	2,533	-	139,269													
44	14,815	1,269	1,423	14,645	24,036	21,915	(2,815)	1,561	3,566	75,142	2,528	3,984	162,069													
45	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	1,744,550	2,126,763	5,072,815	27,271,227													
<b>501 FUEL-TONS</b>																										
46	44,035	47,683	52,849	9,679	1,282	-	-	31,060	18,860	12,296	39,977	44,849	302,570													
47	102,698	98,215	104,690	93,586	88,447	51,047	91,008	99,138	86,490	105,303	98,812	105,411	1,124,845													
<b>501 FUEL-COST PER TON</b>																										
48	wood \$	19.80	\$	19.38	\$	19.28	\$	31.73	\$	16.94	\$	24.02	\$	51.06	\$	25.26	\$	14.58	\$	24.80	\$	33.29	\$	24.79		
49	coal \$	16.49	\$	17.70	\$	16.16	\$	15.81	\$	15.38	\$	16.94	\$	21.04	\$	14.58	\$	21.04	\$	14.58	\$	11.46	\$	33.92	\$	17.43
<b>547 FUEL</b>																										
50	3,168	60,320	402	6,633	83,109	116	(351)	115,178	153	(648)	(141)	(2)	267,937													
51	427,640	52,113	12,877	376,549	20,022	19,673	114,111	317,901	138,663	28,001	11,330	319,156	1,838,036													
52	108,578	19,666	19,133	1,228	(2,347)	(3,137)	9,531	109,354	16,920	(461)	(100)	14,439	292,804													
53	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	10,983,137	9,661,683	10,872,062	103,444,188													
54	160,396	(493)	(1,709)	(16,690)	(5,531)	2,364	207,422	3,029	(25)	29,292	804	953,206	1,332,065													
55	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	11,039,321	9,673,576	12,158,861	107,175,030													
56	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	18,997,299	18,620,051	28,209,045	187,863,576													

**AVISTA UTILITIES**  
 Washington Electric Jurisdiction  
 Energy Recovery Mechanism Revenue Credit  
 Month of December 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	482,243,258	454,243,077	410,770,259	396,727,234	405,571,768	456,022,074	453,225,332	413,576,214	420,620,187	488,225,665	5,465,209,621
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)	(313,372,476)	(327,515,248)	(3,780,842,177)
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	313,372,476	327,515,248	410,882,853	3,841,993,887
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	434,142,725	434,762,959	571,593,270	5,526,361,331
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)	(37,613,275)	(20,309,041)	38,230,270	(165,821,669)
WA Retail Revenue Credit (2)	(\$136,501)	\$245,488	(\$1,616,249)	(\$217,330)	(\$1,313,767)	(\$1,009,161)	(\$1,059,562)	(\$705,764)	(\$313,940)	(\$1,576,748)	(\$851,355)	\$1,602,613	(\$6,951,275)
Net Wind Revenue Credit	\$10,076	\$10,060	\$10,173	\$10,372	\$10,406	\$10,454	\$10,732	\$10,689	\$10,723	\$10,629	\$10,579	\$14,707	\$129,600
Total Revenue Credit	(\$126,425)	\$255,548	(\$1,606,076)	(\$206,958)	(\$1,303,361)	(\$998,707)	(\$1,047,830)	(\$695,075)	(\$303,217)	(\$1,566,119)	(\$840,776)	\$1,617,320	(\$6,821,675)

(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	\$14,306.55	\$14,353.03	\$14,419.86	\$14,802.62	\$14,743.27	\$14,790.70	\$14,660.91	\$14,591.83	\$20,285.24	\$178,759.42
Deduct Admin Expense	\$3,821.98	\$3,815.90	\$3,858.61	\$3,934.30	\$3,947.08	\$3,965.46	\$4,070.72	\$4,054.40	\$4,067.44	\$4,031.75	\$4,012.75	\$5,578.44	\$49,158.84
0.005 x 55 = 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	\$10,629.16	\$10,579.08	\$14,706.80	\$129,600.58