

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



August 17, 2009

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, July 2009

Dear Mr. Danner:

Enclosed are an original and five copies of Avista Corporation's Power Cost Deferral Report for the month of July 2009. The report includes the monthly energy recovery mechanism (ERM) accounting journal together with backup workpapers. In July actual net power costs were higher than authorized costs by \$5,785,153. The year to date difference is \$9,966,658 in the surcharge direction. A deferral of \$2,892,576 in the surcharge direction was recorded in July.

Actual power supply expense was higher than the authorized level due primarily to low hydro generation and reduced Colstrip generation. Hydro generation was 131 aMW below the authorized level. Colstrip generation was 109 aMW below the authorized level due primarily to the outage at Unit 4. The average purchase price to replace the reduced generation was \$46.26/MWh.

Coyote Springs 2 generated 77 aMW above the authorized level. Kettle Falls generation was 26 aMW below the authorized level. The net transmission expense (transmission expense less transmission revenue) was above the authorized level. Washington retail sales were 54 aMW below the authorized level.

In July 2009 the deferral balances increased by \$806,839. The July deferral was \$2,892,576, interest amounted to \$68,810, and amortization amounted to -\$2,154,547. The actual deferral balances at the end of July total \$21.4 million. The deferral balances at the end of December 2009 are expected to be approximately \$4.6 million based on the following assumptions:

1. Net projected deferrals of approximately -\$3.5 million for the remainder of 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

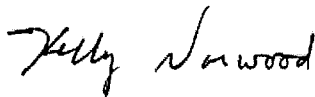
STATE OF WASH.
UTIL. AND TRANSP.
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balances net of associated deferred federal income tax. The Company's weighted cost of debt is used as the interest rate. The interest rate is updated semi-annually and interest is compounded semi-annually. The January and July reports contain the supporting workpapers for the semi-annual updates of the weighted cost of debt used in the interest calculations. Page 23 of the this report shows the calculation of the weighted cost of debt at June 30, 2009, which is to be used for the July-December 2009 period.

There were no forward long-term contracts of one year or longer entered into in the month of July 2009. 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 black ink that reads "Kelly Norwood". The signature is written in a cursive style with a large initial "K".

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 JULY 2009

Avista Corporation Journal Entry

Effective Date: 200907

Journal: 481-WA ERM

Team: Resource Accounting

Type: C

Category: DJ

Last Saved by: Cheryl Kettner


Submitted by: Cheryl Kettner

Last Saved: 08/07/2009 10:40 AM

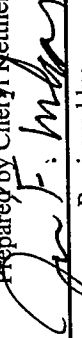
Seq.	Co.#	FERC	ED	WA	DL	DL	DL	DL	DL	DL	Debit	Credit	Comment
10	001	557290 - WA ERM AMORTIZATION	ED	WA	DL						2,154,547.00		WA ERM surcharge amortization
20	001	182350 - REGULATORY ASSET ERM APPROVED FOR F	ED	WA	DL								WA ERM authorized for recovery
25	001	182350 - REGULATORY ASSET ERM APPROVED FOR F	ED	WA	DL						63,473.00		Accrue interest on deferral balance authorized for recovery
30	001	557280 - DEFERRED POWER SUPPLY EXPENSE	ED	WA	DL						2,892,576.00		WA ERM current month deferral
40	001	186280 - REGULATORY ASSET ERM DEFERRED CURF	ED	WA	DL						2,892,576.00		WA ERM current year deferral
60	001	186280 - REGULATORY ASSET ERM DEFERRED CURF	ED	WA	DL						5,337.00		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						68,810.00		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						2,892,576.00		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						0.00		Track 10% company band accumulation
170	001	186045 - REGULATORY ASSET ERM 10% CONTRA	ED	WA	DL						0.00		Contra account for 10% company band accumulation
180	001	182350 - REGULATORY ASSET ERM APPROVED FOR F	ED	WA	DL						7,377,531.00		Transfer 2008 deferred balance to ERM
190	001	186290 - REGULATORY ASSET ERM DEFERRED LAST	ED	WA	DL						7,377,531.00		Transfer 2008 deferred balance to ERM
TOTALS:											15,386,040.00	15,386,040.00	

Explanation:

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



 Prepared by Cheryl Kettner



 Reviewed by

 Date: 8/7/2009

 Date: 8/7/2009

Date

Approved for Entry
Corporate Accounting use Only

Detail Balances (AVA CORP) - 001.186280.ED.WA.DL

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

Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200813	USD	0.00		7,223,823.00	
200901	USD	7,223,823.00		0.00	
200902	USD	0.00		0.00	
200903	USD	0.00		0.00	
200904	USD	0.00		0.00	
200905	USD	0.00		0.00	
200906	USD	90,914.00		90,914.00	
200907	USD	2,897,913.00		2,988,827.00	

Journal Details Summary Balances

ERM Deferral Balance (Current Year - 2009)

Account 186280.ED.WA

	Amount	Journal ID
Balance 6/30/09	\$90,914.00	
Deferral	2,892,576.00	481 - WA ERM
Interest	5,337.00	481 - WA ERM
Balance 7/31/09	<u>\$2,988,827.00</u>	
Year to date deferrals	\$2,983,329.00	
Year to date interest	5,498.00	
Balance in account	<u>\$2,988,827.00</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
200813	USD	0.00		0.00	
200901	USD	7,249,441.00		7,249,441.00	
200902	USD	25,618.00		7,275,059.00	
200903	USD	25,618.00		7,300,677.00	
200904	USD	25,618.00		7,326,295.00	
200905	USD	25,618.00		7,351,913.00	
200906	USD	25,618.00		7,377,531.00	
200907	USD	7,377,531.00		0.00	

ERM Deferral Balance (Prior year - 2008)

Account 186290.ED.WA

Balance 6/30/09

Transfer to 182350.ED.WA

Balance 7/31/09

Amount

\$7,377,531.00

-7,377,531.00

\$0.00

Journal ID

481 - WA ERM

Detail Balances (AWA CORP) - 001.182350.ED.WA.DL					
Balance Type		Actual		Currency Type	Entered
				Factor	Units
Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200813	USD	0.00		29,728,183.65	
200901	USD	3,573,277.00		26,154,906.65	
200902	USD	3,175,355.00		22,979,551.65	
200903	USD	3,112,821.00		19,866,730.65	
200904	USD	2,388,908.00		17,477,822.65	
200905	USD	2,169,372.00		15,308,450.65	
200906	USD	2,211,199.00		13,097,251.65	
200907	USD	5,286,457.00		18,383,708.65	

Recoverable Deferral Balance

Account 182350.ED.WA

	<u>Amount</u>	<u>Journal ID</u>
Balance 6/30/09	\$13,097,251.65	
Amortization	-2,154,547.00	481 - WA ERM
Transfer from 186290.ED.WA	7,377,531.00	
Interest	63,473.00	481 - WA ERM
Balance 7/31/09	<u>\$18,383,708.65</u>	

Detail Balances (AVA CORP) - 001.186010.ED.WA.DL					
Balance Type		Actual		Currency Type	Entered
				Factor	Units
Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200813	USD	0.00		4,000,000.00	
200901	USD	5,694,625.00		1,694,625.00	
200902	USD	173,136.00		1,521,489.00	
200903	USD	1,154,359.00		2,675,848.00	
200904	USD	1,490,918.00		1,184,930.00	
200905	USD	2,532,855.00		1,347,925.00	
200906	USD	2,652,075.00		4,000,000.00	
200907	USD	0.00		4,000,000.00	

Journal Details
Summary Balances

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

	Amount	Journal ID
Balance 6/30/09	\$4,000,000.00	
Current month entry	0.00	481 - WA ERM
Balance 7/31/09	\$4,000,000.00	

	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%	5,966,658.00	2,983,329.00	2,983,329.00
Over \$10,000,000 at 10%	0.00	0.00	0.00
Total	\$9,966,658.00	\$6,983,329.00	\$2,983,329.00

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
200813	USD	0.00			4,000,000.00	
200901	USD	5,694,625.00			1,694,625.00	
200902	USD	173,136.00			1,521,489.00	
200903	USD	1,154,359.00			2,675,848.00	
200904	USD	1,490,918.00			1,184,930.00	
200905	USD	2,532,855.00			1,347,925.00	
200906	USD	2,652,075.00			4,000,000.00	
200907	USD	0.00			4,000,000.00	

ERM \$4M Deadband Contra Account
Account 186020.ED.WA
 Balance 6/30/09
 Current month entry
 Balance 7/31/09

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
200813	USD	0.00		3,000,000.00	
200901	USD	3,000,000.00		0.00	
200902	USD	0.00		0.00	
200903	USD	0.00		0.00	
200904	USD	0.00		0.00	
200905	USD	0.00		0.00	
200906	USD	90,753.00		90,753.00	
200907	USD	2,892,576.00		2,983,329.00	

ERM 50%-50% Sharing Band

Account 186030.ED.WA

	Amount	Journal ID
Balance 6/30/09	\$90,753.00	
Current month entry	2,892,576.00	481 - WA ERM
Balance 7/31/09	\$2,983,329.00	

	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%	5,966,658.00	2,983,329.00	2,983,329.00
Over \$10,000,000 at 10%	0.00	0.00	0.00
Total	\$9,966,658.00	\$6,983,329.00	\$2,983,329.00

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
200813	USD	0.00		3,000,000.00	
200901	USD	3,000,000.00		0.00	
200902	USD	0.00		0.00	
200903	USD	0.00		0.00	
200904	USD	0.00		0.00	
200905	USD	0.00		0.00	
200906	USD	90,753.00		90,753.00	
200907	USD	2,892,576.00		2,983,329.00	

Journal Details Summary Balances

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

Balance 6/30/09
 No current month entry
 Balance 7/31/09

Amount	Journal ID
-\$90,753.00	
-2,892,576.00	481 - WA ERM
<u>-\$2,983,329.00</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	
200813	USD	0.00		449,843.00		
200901	USD	449,843.00		0.00		
200902	USD	0.00		0.00		
200903	USD	0.00		0.00		
200904	USD	0.00		0.00		
200905	USD	0.00		0.00		
200906	USD	0.00		0.00		
200907	USD	0.00		0.00		

ERM 90%-10% Sharing Band

Account 186040.ED.WA

Balance 6/30/09

No current month entry

Balance 7/31/09

Amount

Journal ID

\$0.00

0.00

\$0.00

481 - WA ERM

First \$4,000,000 at 100%

\$4,000,000 to \$10,000,000 at 50%

Over \$10,000,000 at 10%

Total

	<u>Total</u>	<u>Absorbed</u>	<u>Deferred</u>
	\$4,000,000.00	\$4,000,000.00	\$0.00
	5,966,658.00	2,983,329.00	2,983,329.00
	0.00	0.00	0.00
	<u>\$9,966,658.00</u>	<u>\$6,983,329.00</u>	<u>\$2,983,329.00</u>

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

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

Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200813	USD	0.00		449,843.00	
200901	USD	449,843.00		0.00	
200902	USD	0.00		0.00	
200903	USD	0.00		0.00	
200904	USD	0.00		0.00	
200905	USD	0.00		0.00	
200906	USD	0.00		0.00	
200907	USD	0.00		0.00	

Journal Details Summary Balances

ERM 90%-10% Sharing Contra Account
Account 186045.ED.WA
 Balance 6/30/09
 No current month entry
 Balance 7/31/09

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

Detail Balances (AVA CORP) - 001.283280.ED.WA.DL					
Balance Type: Actual			Currency Type: Entered		
			Factor: Units		
Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200813	USD	0.00		-12,933,201.45	
200901	USD	1,241,680.65		11,691,520.80	
200902	USD	1,102,407.95		-10,589,112.85	
200903	USD	1,080,521.05		9,508,591.80	
200904	USD	827,151.50		8,681,440.30	
200905	USD	750,313.90		7,931,126.40	
200906	USD	733,133.45		7,197,992.95	
200907	USD	282,393.65		7,480,386.60	

DFIT Associated with ERM Deferrals
Account 283280.ED.WA

Account 186280.ED.WA balance	\$2,988,827.00
Account 186290.ED.WA balance	0.00
Account 182350.ED.WA balance	18,383,708.65
Total	<u>\$21,372,535.65</u>
Federal income tax rate	-35%
Deferred FIT related to deferrals	<u>-\$7,480,387</u>
Rounding	0
Balance in account	<u><u>-\$7,480,387</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 12/31/08 is 6.547%--		0.00546 Before Tax		Actual cost of debt at 6/30/09 is 6.041%		
The monthly rate is:		0.0035463 After Tax		The monthly rate is:		
		0.35 Tax rate		0.00534167 Before Tax		
				0.0034721 After Tax		
				0.35 Tax rate		
Account 186280						
2009 Interest						
12-31-2008	GL Balance including interest	\$7,223,823				
01-31-2009	GL Balance	(\$7,223,823)	Transfer to 186290			
01-31-2009	GL Balance	0				
				January	DFIT Expense	ADFIT
January	ERM Deferral	0	0	Deferral	0	Operating 0
January	Interest			Interest	0	Nonoperating 0
01-31-2009	Balance before interest	0			0	Total 0
				February	DFIT Expense	ADFIT
February	ERM Deferral	0	0	Deferral	0	Operating 0
February	Interest			Interest	0	Nonoperating 0
02-28-2009	Balance before interest	0			0	Total 0
				March	DFIT Expense	ADFIT
March	ERM Deferral	0	0	Deferral	0	Operating 0
March	Interest			Interest	0	Nonoperating 0
03-31-2009	Balance before interest	0			0	Total 0
				April	DFIT Expense	ADFIT
April	ERM Deferral	0	0	Deferral	0	Operating 0
April	Interest			Interest	0	Nonoperating 0
04-30-2009	Balance before interest	0			0	Total 0
				May	DFIT Expense	ADFIT
May	ERM Deferral		0	Deferral	0	Operating 0
May	Interest			Interest	0	Nonoperating 0
05-31-2009	Balance before interest	0			0	Total 0
				June	DFIT Expense	ADFIT
June	ERM Deferral	90,753		Deferral	31,764	Operating (31,764)
June	Interest		161	Interest	56	Nonoperating (56)
06-30-2009	Balance before interest	90,753			31,820	Total (31,820)
06-30-2009	GL Balance including interest	90,914		July		
July	ERM Deferral	2,892,576		Deferral	1,012,402	Operating (1,012,402)
July	Interest		5,337	Interest	1,868	Nonoperating (1,868)
07-31-2009	Balance before interest	2,983,490			1,014,270	Total (1,014,270)
				GL Balance	Activity	GL Balance
Net ERM Balance		2,988,827		06-30-09	Jul-09	07-31-09
				90,914	2,897,913	2,988,827
ADFIT Balance		(1,046,089)				

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 12/31/08 is 6.547%				Actual cost of debt at 6/30/09 is 6.041%			
The monthly rate is:		0.00546	Before Tax	The monthly rate is:		0.00503417	Before Tax
		0.0035463	After Tax			0.0032722	After Tax
		0.35	Tax rate			0.35	Tax rate
Account 186290		2009 Interest					
12-31-2008	GL Balance including interest	0					
01-31-2009	Transfer from 186280	\$7,223,823					
01-31-2009	GL Balance including interest	\$7,223,823		<u>January</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
January	Interest		25,618	Interest	8,966	Nonoperating	(8,966)
01-31-2009	Balance before interest	7,223,823			8,966	Total	(8,966)
				<u>February</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
February	Interest		25,618	Interest	8,966	Nonoperating	(8,966)
02-28-2009	Balance before interest	7,223,823			8,966	Total	(8,966)
				<u>March</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
March	Interest		25,618	Deferral	0	Operating	0
03-31-2009	Balance before interest	7,223,823		Interest	8,966	Nonoperating	(8,966)
					8,966	Total	(8,966)
				<u>April</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
April	Interest		25,618	Deferral	0	Operating	0
04-30-2009	Balance before interest	7,223,823		Interest	8,966	Nonoperating	(8,966)
					8,966	Total	(8,966)
				<u>May</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
May	Interest		25,618	Deferral	0	Operating	0
05-31-2009	Balance before interest	7,223,823		Interest	8,966	Nonoperating	(8,966)
					8,966	Total	(8,966)
				<u>June</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
June	Interest		25,618	Deferral	0	Operating	0
06-30-2009	Balance before interest	7,223,823		Interest	8,966	Nonoperating	(8,966)
					8,966	Total	(8,966)
06-30-2009	GL Balance including interest	7,377,531		<u>July</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
06-30-2009	ERM Transfer to 182350	(7,377,531)		Deferral	0	Operating	0
July	Interest		0	Interest	0	Nonoperating	0
07-31-2009	Balance before interest	0			0	Total	0
	Net ERM Balance	0		GL Balance	Activity	GL Balance	
				06-30-09	Jul-09	07-31-09	
	ADFIT Balance	0		7,377,531	(7,377,531)	0	
When WUTC deems 2008 deferred power costs prudent - reclass to 182350.							
Prudency granted 7/16/09.							

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 12/31/08 is 6.547%--			Actual cost of debt at 6/30/09 is 6.041%			
The monthly rate is:			0.00546 Before Tax	The monthly rate is: 0.00503417 Before Tax		
			0.0035463 After Tax	0.0032722 After Tax		
			0.35 Tax rate	0.35 Tax rate		
Account 182350		2009 Interest				
12-31-2008	GL Balance including interest	29,728,184		<u>January</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
January	Surcharge Amortization	(3,672,191)		Amortization	(1,285,267)	Operating 1,285,267
January	Interest		98,914	Interest	34,620	Nonoperating (34,620)
01-31-2009	Balance before interest	26,055,993			(1,250,647)	Total 1,250,647
				<u>February</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
February	Surcharge Amortization	(3,261,973)		Amortization	(1,141,691)	Operating 1,141,691
February	Interest		86,618	Interest	30,316	Nonoperating (30,316)
02-28-2009	Balance before interest	22,794,020			(1,111,375)	Total 1,111,375
	Lehman Settlement	(235,815)		<u>March</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
March	Surcharge Amortization	(2,952,188)		Amortization	(1,033,266)	Operating 1,033,266
March	Interest		75,182	Interest	26,314	Nonoperating (26,314)
03-31-2009	Balance before interest	19,606,017			(1,006,952)	Total 1,006,952
				<u>April</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
April	Surcharge Amortization	(2,454,085)		Amortization	(858,930)	Operating 858,930
April	Interest		65,177	Interest	22,812	Nonoperating (22,812)
04-30-2009	Balance before interest	17,151,932			(836,118)	Total 836,118
				<u>May</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
May	Surcharge Amortization	(2,226,250)		Amortization	(779,188)	Operating 779,188
May	Interest		56,878	Interest	19,907	Nonoperating (19,907)
05-31-2009	Balance before interest	14,925,682			(759,281)	Total 759,281
				<u>June</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
June	Surcharge Amortization	(2,260,122)		Amortization	(791,043)	Operating 791,043
June	Interest		48,923	Interest	17,123	Nonoperating (17,123)
06-30-2009	Balance before interest	12,665,560			(773,920)	Total 773,920
06-30-2009	Transfer from 186290	7,377,531				
06-30-2009	GL Balance including interest	13,097,252		<u>July</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
July	Surcharge Amortization	(2,154,547)		Amortization	(754,091)	Operating 754,091
July	Interest		63,473	Interest	22,216	Nonoperating (22,216)
07-31-2009	Balance before interest	18,320,236			(731,875)	Total 731,875
				<u>GL Balance</u>	<u>Activity</u>	<u>GL Balance</u>
				06-30-2009	Jul-09	07-31-2009
	Net ERM Balance	18,383,709		13,097,252	5,286,457	18,383,709
	ADFIT Balance	(6,434,298)				

			<u>Interest</u>		
	182350	186280	186290	419600	
01-31-2009	98,914	0	25,618	(124,532)	
Total					
02-28-2009	86,618	0	25,618	(112,236)	
Total					
03-31-2009	75,182	0	25,618	(100,800)	
Total					
04-30-2009	65,177	0	25,618	(90,795)	
Total					
05-31-2009	56,878	0	25,618	(82,496)	
Total					
06-30-2009	48,923	161	25,618	(74,702)	
Total					
07-31-2009	63,473	5,337	0	(68,810)	
Total					

AVISTA CORPORATION
 JULY 2009 WASHINGTON ELECTRIC SURCHARGE REVENUE & DEFERRAL AMORTIZATION

Schedule	Sch 1 Block Percent (b)	kWh or \$ (c)	Proration Percentages		Surcharge Rates		Rate		Current Month Surcharge Revenue		Total (h)+(i)
			Before 1-Jan-06 (d)	On/After 1-Jan-06 (e)	Before 1-Jan-06 (f)	On/After 1-Jan-06 (g)	Before 1-Jan-06 (h)	On/After 1-Jan-06 (i)	(c)*(d)*(f)	(c)*(e)*(g)	
1 (0-600 kWh)	64.017%	95,840,610	0.00%	100.00%	0.405¢	0.446¢	\$0	\$427,449	\$427,449	\$427,449	
1 (601-1300 kWh)	27.138%	40,628,622	0.00%	100.00%	0.607¢	0.668¢	0	271,399	271,399	271,399	
1 (over 1300 kWh)	8.845%	13,241,954	0.00%	100.00%	0.853¢	0.938¢	0	124,210	124,210	124,210	
Total Sch 1	100.000%	149,711,186					0	823,058	823,058	823,058	
11		27,061,717	0.00%	100.00%	0.788¢	0.867¢	0	234,625	234,625	234,625	
12		2,584,405	0.00%	100.00%	0.788¢	0.867¢	0	22,407	22,407	22,407	
21		119,228,643	0.00%	100.00%	0.549¢	0.604¢	0	720,141	720,141	720,141	
22		2,430,556	0.00%	100.00%	0.549¢	0.604¢	0	14,681	14,681	14,681	
25		71,984,043	0.00%	100.00%	0.352¢	0.387¢	0	278,578	278,578	278,578	
30		4,665,380	0.00%	100.00%	0.485¢	0.534¢	0	24,913	24,913	24,913	
31		15,080,324	0.00%	100.00%	0.485¢	0.534¢	0	80,529	80,529	80,529	
32		2,091,023	0.00%	100.00%	0.485¢	0.534¢	0	11,166	11,166	11,166	
41-46		\$365,691	0.00%	100.00%	9.78%	9.02%	0	29,034	29,034	29,034	
47		\$104,560	0.00%	100.00%	9.78%	9.02%	0	8,301	8,301	8,301	
48		\$69,418	0.00%	100.00%	9.78%	9.02%	0	5,511	5,511	5,511	
Schedule Totals		394,837,277					\$0	\$2,252,944	\$2,252,944	\$2,252,944	

kWh not subject to surcharge	0									
Sch 28	2,207,688									
Sch 41-48	397,044,965									
Total kWh										
Conversion factor							0.956325			
Amortization										
FIT rate									-35%	
DFIT expense										-\$754,091

Electric Revenue Report by Revenue Class
Current Month and Year-to-Date
for Accounting Period : 200907 , State Code : WA

Accounting Period	200907	State Code	WA
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Rate Schedule Num	Meters	Usage	Revenue Amt	YTD Avg Meters	Ytd Usage	Ytd Revenue Amt
001	199,182	149,711,186	11,970,237	200,059	1,527,429,988	122,151,908
011	19,112	27,061,717	3,058,422	19,193	221,762,790	24,486,578
012	7,929	2,584,405	327,860	7,909	29,283,217	3,424,565
021	3,267	119,228,643	10,183,703	3,275	887,833,139	73,895,783
022	79	2,430,556	206,367	78	23,091,401	1,869,669
025	22	71,984,043	4,009,343	22	506,598,590	27,875,515
028	0	0	17,950	0	33,000	126,845
030	33	4,665,380	303,796	34	12,205,800	795,910
031	1,108	15,080,324	1,104,428	1,103	49,002,499	3,686,541
032	1,216	2,091,023	163,536	1,216	6,339,114	526,894
041	11	8,720	1,839	11	61,040	12,672
042	277	1,120,798	337,744	274	7,865,848	2,362,559
044	13	21,203	2,470	13	148,421	17,019
045	3	86,565	5,931	3	615,484	41,896
046	19	190,743	17,707	19	1,335,094	122,068
047	0	490,377	104,560	0	3,452,794	724,220
048	0	289,282	69,418	0	2,038,085	483,247
058	0	0	1,133,161	0	0	9,304,455
058A	0	0	-6,165	0	0	-60,431
063	0	0	0	0	0	0
090	0	0	4	0	0	28
095	0	0	14,757	0	0	102,950
099	0	0	66,056	0	0	466,399
Sum	232,271	397,044,965	33,093,124	233,209	3,279,096,304	272,417,288

Line No.	Utilities	System Power Supply Expenses	WASHINGTON DEFERRED POWER COST CALCULATION	744	672	743	720	744	720	744	720	744	720	744	720	744	720
ACTUALS																	
1	555 PURCHASED POWER																
2	Other Purchases	19,163,442	20,539,826	7,921,765	5,947,423	5,045,912	22,619,349										
3	Northwestern Load Following	186,911	133,427	99,673	27,413	23,617	78,797										
4	Priest Rapids	460,985	642,598	885,246	902,516	820,338	891,001										
5	Rocky Reach	116,798	117,104	106,349	149,316	428,681	114,618										
6	Wanapum	509,220	406,220	509,220	509,220	509,220	509,220										
7	Wells	124,153	124,153	124,153	124,153	124,153	124,153										
8	Douglas Capacity	933,501	933,501	933,501	933,501	933,501	933,501										
9	Black Crk Hydro	0	0	0	0	0	0										
10	Deer Lake-IP&L	730	1,037	242	874	79	354										
11	Small Power	54,154	141,008	128,046	107,818	100,909	101,825										
12	Spokane-Upriver	296,159	274,819	222,714	205,208	212,046	14,331										
13	WNP-3 (1)	3,123,037	1,541,845	1,493,289	0	0	0										
14	MS #17189	576,600	575,825	558,000	576,600	558,000	576,600										
15	MS #17633	572,880	572,110	554,400	572,880	554,400	572,880										
16	MS #19537	565,440	564,680	547,200	565,440	547,200	565,440										
17	BP Energy #102182	641,700	640,838	621,000	641,700	621,000	641,700										
18	Slimson Lumber	90,620	67,926	114,509	155,324	162,750	165,510										
19	Cleanwater (PFI)	1,618,657	1,436,103	1,478,852	1,747,617	1,639,802	1,573,447										
20	BPA NT deviation energy	111,301	73,190	70,300	61,968	29,964	59,602										
21	PPM Wind Power	341,046	373,294	202,108	297,756	258,902	197,980										
22	Seattle Capacity	192,200	0	0	0	0	167,400										
23	Douglas Settlement	23,730	21,854	75,077	93,157	99,350	43,818										
24	WPM Ancillary Services	68,088	66,750	51,286	52,095	50,262	55,684										
25	Non-Mon. Accruals	(1,948)	13,083	(48,916)	40,414	(22,698)	86,840										
26	Total Account 555	33,956,314	29,459,310	16,648,014	13,712,393	12,695,388	30,094,050										

(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.

Line No.	Utilities	System Power Supply Expenses	WASHINGTON DEFERRED POWER COST CALCULATION	744	672	743	720	744	720	744	720	744	720	744	720	744	720
ACTUALS																	
26	447 SALES FOR RESALE																
27	Short-Term Sales	18,885,195	18,825,536	8,450,579	10,172,890	8,802,552	16,568,492										
28	Peaker LLC/PGE Cap Sale	144,991	144,955	146,215	146,085	146,150	145,020										
29	Soverign/Kaiser Load Following	9,762	7,490	7,322	7,354	6,828	13,411										
30	Pend Oreille DES	36,126	33,339	33,256	48,164	61,954	25,680										
31	Nichols Pumping Index Sale	182,533	143,192	70,925	79,445	60,365	149,599										
32	NaturEner Glacier Wind	71,621	8,912	48,584	82,488	78,752	41,017										
33	Northwestern Load Following	484,628	482,727	436,075	208,356	189,886	336,239										
34	BPA NT deviation energy rev	143,456	127,161	56,047	60,157	38,767	81,529										
35	SMUD 50 + 25	2,715,563	2,037,792	1,704,178	1,859,693	1,569,770	2,299,266										
36	Merchant Ancillary Services	68,088	66,750	51,286	52,095	50,262	55,684										
37	Total Account 447	22,741,853	21,864,088	11,004,447	12,717,667	11,015,086	19,715,947										

Utilities
 System P.C. Supply Expenses
 WASHINGTON DEFERRED POWER COST CALCULATION

Line No.	744 Jan-09	672 Feb-09	743 Mar-09	720 Apr-09	744 May-09	720 Jun-09	744 Jul-09	744 Aug-09	720 Sep-09	744 Oct-09	721 Nov-09	744 Dec-09
ACTUALS												
501 FUEL-DOLLARS												
37 Kettle Falls-501110	\$ 653,209	\$ 695,926	\$ 449,073	\$ 282,427	\$ 851	\$ 489,302	\$ 554,557					
38 Colstrip Coal-501140	\$ 1,521,762	\$ 1,552,886	\$ 1,157,043	\$ 784,652	\$ 287,463	\$ 686,739	\$ 576,404					
39 Total Coal & Wood	\$ 2,174,971	\$ 2,198,312	\$ 1,606,116	\$ 1,067,079	\$ 288,314	\$ 1,176,041	\$ 1,130,971					
40 Kettle Falls GS-501120	\$ 4,909	\$ 2,403	\$ 2,471	\$ 132	\$ 19	\$ (149)	\$ 8,390					
41 Colstrip Oil-501160	\$ -	\$ 4,007	\$ (4,978)	\$ 16,507	\$ 5,289	\$ 65	\$ 19,930					
42 Total Oil & Gas	\$ 4,909	\$ 6,410	\$ (2,507)	\$ 16,639	\$ 5,258	\$ (84)	\$ 28,320					
43 Total Account 501	\$ 2,179,880	\$ 2,204,722	\$ 1,603,609	\$ 1,083,718	\$ 293,572	\$ 1,175,957	\$ 1,159,291					
501 FUEL-TONS												
44 Kettle Falls	27,151	29,722	27,327	12,159	-	19,996	21,937					
45 Colstrip	107,102	92,329	93,314	41,516	43,525	34,163	46,344					
501 FUEL-COST PER TON												
46 Kettle Falls	\$ 24.06	\$ 23.41	\$ 16.43	\$ 23.23	\$ #DIV/0!	\$ 24.47	\$ 25.28	\$ #DIV/0!	\$ #DIV/0!	\$ #DIV/0!	\$ #DIV/0!	\$ #DIV/0!
47 Colstrip	\$ 14.21	\$ 16.27	\$ 12.40	\$ 18.90	\$ 6.60	\$ 20.10	\$ 12.44	\$ #DIV/0!	\$ #DIV/0!	\$ #DIV/0!	\$ #DIV/0!	\$ #DIV/0!
547 FUEL												
48 NE CT Gas/Oil-547213	\$ 278	\$ 194	\$ -	\$ -	\$ -	\$ 1,918	\$ 1,018					
49 Boulder Park-547216	\$ 3,239	\$ 1,908	\$ 131,948	\$ 68,372	\$ 16,837	\$ 19,627	\$ 212,203					
50 Kettle Falls CT-547211	\$ 872	\$ 394	\$ (32)	\$ (1,182)	\$ 7	\$ (53)	\$ 58,920					
51 Coyote Springs2-547610	\$ 6,542,047	\$ 10,233,607	\$ 7,193,794	\$ 1,407,694	\$ 747,896	\$ 553,678	\$ 6,267,066					
52 Rathdrum CT-547310	\$ (6,843)	\$ 1,257	\$ 107,516	\$ 57,142	\$ 40,262	\$ 23,242	\$ 72,447					
53 Total Account 547	\$ 6,539,393	\$ 10,237,460	\$ 7,433,228	\$ 1,531,956	\$ 805,002	\$ 598,412	\$ 6,609,652					
54 TOTAL NET EXPENSE	\$ 19,933,724	\$ 19,162,111	\$ 16,632,057	\$ 8,259,241	\$ 2,083,300	\$ 3,454,671	\$ 18,147,046					

AVISTA UTILITIES
 Washington Electric Jurisdiction
 Energy Recovery Mechanism Revenue Credit
 Month of July 2009

Description	January	February	March	April	May	June	July	August	September	October	November	December	YTD
Total WA kWhs per Rev Run	594,203,023	541,566,378	494,682,555	431,520,144	404,829,564	414,249,675	397,044,965						3,278,096,304
Deduct Prior Month Unbilled kWhs	(410,882,853)	(359,706,111)	(300,949,240)	(310,045,884)	(273,851,277)	(280,198,185)	(266,940,385)	(305,815,811)					(2,508,389,746)
Add Current Month Unbilled kWhs	359,706,111	300,949,240	310,045,884	273,851,277	280,198,185	266,940,385	305,815,811						2,097,506,893
Washington Retail kWhs	543,026,281	482,809,507	503,779,199	395,325,537	411,176,472	400,997,875	435,920,391	(305,815,811)					2,867,213,451
Test Year WA Retail Sales (1)	557,362,856	482,599,842	468,215,165	413,064,770	417,489,177	417,457,930	475,798,809	458,543,840	425,385,485	456,639,554	475,819,710	532,405,915	5,580,783,052
Difference from Test Year	(14,336,575)	209,665	35,564,034	(17,739,233)	(6,312,705)	(16,466,055)	(39,878,418)						(58,959,286)
WA Retail Revenue Credit (1)	(\$668,371)	\$9,775	\$1,657,995	(\$827,003)	(\$294,298)	(\$767,847)	(\$1,859,132)	\$0	\$0	\$0	\$0	\$0	(\$2,748,682)
Net Wind Revenue Credit	\$2,174	\$2,141	\$256	\$256	\$220	\$221	\$399	\$0	\$0	\$0	\$0	\$0	\$5,731
Total Revenue Credit	(\$666,197)	\$11,916	\$1,658,315	(\$826,747)	(\$294,078)	(\$767,426)	(\$1,858,733)	\$0	\$0	\$0	\$0	\$0	(\$2,742,951)

(1) from APPENDIX 2 of the Settlement Agreement in Docket No. UE-060416

Current Period Schedule 95 Revenue	\$14,728.58	\$14,645.85	\$14,618.77	\$14,751.61	\$14,744.71	\$14,703.49	\$14,757.47	\$14,305.11	\$14,172.94	\$14,090.47	\$13,985.26	\$13,957.96	\$102,950.48
Schedule 95 Revenue in Base Rates	\$11,730.36	\$11,692.65	\$14,177.63	\$14,398.73	\$14,440.76	\$14,398.94	\$14,206.91	\$14,305.11	\$14,172.94	\$14,090.47	\$13,985.26	\$13,957.96	\$165,557.72
Incremental Schedule 95 Renewable Revenue	\$2,998.22	\$2,953.20	\$441.14	\$352.88	\$303.95	\$304.55	\$550.56	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$7,904.50
Deduct Admin Expense	\$824.51	\$812.13	\$121.31	\$97.04	\$83.59	\$83.75	\$151.40	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,173.74
0.005 x 55 = 0.275 per Revenue \$													
Net Renewable Revenue Credit	\$2,173.71	\$2,141.07	\$319.83	\$255.84	\$220.36	\$220.80	\$399.16	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,730.76

AVISTA CORPORATION
Cost of Long-Term Debt Detail
June 30, 2009

Line No.	Description (a)	Coupon Rate (b)	Maturity Date (c)	Settlement Date (d)	Principal Amount (e)	Issuance Costs (f)	Loss/Reacq Expenses (g)	Net Proceeds (h)	Yield to Maturity (i)	Principal Outstanding 6/30/2009 (j)	Effective Cost (k)	Line No.
1	SMTN Series A	Series Costs	8/31/2010	5/1/1993		373,693					21,663	1
2	SMTN Series A	6.67%	7/12/2010	7/12/1993	5,000,000	35,081	690,464	4,274,455	8.275%	5,000,000	413,765	2
3	SMTN Series A	7.18%	8/11/2023	8/12/1993	7,000,000	54,364	6,945,636	6,945,636	7.244%	7,000,000	507,064	3
4	SMTN Series A	7.37%	5/10/2012	5/10/1993	7,000,000	49,114	1,227,883	5,723,003	9.455%	7,000,000	661,877	4
5	SMTN Series A	7.39%	5/11/2018	5/11/1993	7,000,000	54,364	1,227,883	5,717,753	9.287%	7,000,000	650,114	5
6	SMTN Series A	7.45%	6/11/2018	6/9/1993	15,500,000	170,597	2,140,440	13,188,963	8.953%	15,500,000	1,387,715	6
7	SMTN Series A	7.53%	5/5/2023	5/6/1993	5,500,000	42,712	963,011	4,494,277	9.359%	5,500,000	514,744	7
8	SMTN Series A	7.54%	5/5/2023	5/7/1993	1,000,000	7,766	175,412	816,822	9.375%	1,000,000	93,747	8
9	SMTN Series B	6.90%	7/1/2010	6/9/1995	5,000,000	37,944	4,962,056	4,962,056	6.982%	5,000,000	349,077	9
10	5.70% FMB's	5.70%	7/1/2037	12/15/2006	150,000,000	8,663,162		141,336,838	6.120%	150,000,000	9,179,740	10
11	6.125% FMB's	6.13%	9/1/2013	9/8/2003	45,000,000	1,055,140	815,824	43,129,036	6.703%	45,000,000	3,016,248	11
12	5.45% FMB's	5.45%	12/1/2019	11/18/2004	90,000,000	1,432,081	7,244,895	81,323,024	6.462%	90,000,000	5,815,418	12
13	6.25% FMB's	6.25%	12/1/2035	11/17/2005	150,000,000	-2,137,016	1,700,371	150,436,645	6.228%	150,000,000	9,342,301	13
14	5.95% FMB's	5.95%	6/1/2018	4/2/2008	250,000,000	19,476,419		230,523,581	7.034%	250,000,000	17,585,352	14
15	7.25% FMB's	7.25%	12/16/2013	12/16/2008	30,000,000	420,306		29,579,694	7.592%	30,000,000	2,277,590	15
16	PCB's Kettle Falls	6.00%	12/1/2023	7/29/1993	4,100,000	135,855	146,393	3,817,752	6.523%	4,100,000	267,441	16
17	MTN's Series C	Series Costs	6/15/2013	6/15/1998		650,179					43,345	17
18	MTN's Series C	6.37%	6/19/2028	6/19/1998	25,000,000	158,304	188,649	24,653,047	6.475%	25,000,000	1,618,863	18
19	MTN's Series C	8.02%	10/26/2010	10/26/1999	25,000,000	161,287	707,527	24,131,186	8.513%	25,000,000	2,128,207	19
20	Trust Preferred Secur	6.50%	4/1/2034	4/5/2004	60,000,000	1,540,134	1,989,972	56,469,894	6.970%	60,000,000	4,182,161	20
21												21
22									6.808%	882,100,000	60,056,434	22
23												23
24	Repurchase	2	6/5/2028	5/24/2002	10,000,000		-2,228,153	12,228,153	6.981%	3	-188,085	24
25	Repurchase	2	6/5/2028	4/3/2003	10,000,000		-450,769	10,450,769	8.395%	3	-43,660	25
26	Repurchase	2	12/29/2022	3/11/2003	5,000,000		92,363	4,907,637	9.029%	3	10,340	26
27	Repurchase	2	9/10/2012	7/7/2003	12,000,000		357,674	11,642,326	8.848%	3	64,258	27
28											-157,147	28
29												29
30	4 Var. Rate Long-Term Debt				40,000,000	1,296,086	-2,500,000	41,203,914	2.866%	40,000,000	1,146,232	30
31	4 Var. Rate Long-Term Debt				17,000,000	694,004	1,183,129	15,122,867	1.033%	17,000,000	175,559	31
32												32
33					TOTAL LONG-TERM DEBT			887,850,444	6.519%	939,100,000	61,221,077	33
34												34
35	5 Short Term-Debt				150,971,042			150,971,042	3.067%	150,971,042	4,630,282	35
36												36
37									6.041%	1,090,071,042	65,851,359	37

WA TOTAL DEBT OUTSTANDING AND COST OF DEBT AT June 30, 2009

- 1 Includes the annual insurance premium
- 2 The coupon rate used is the cost of debt at the time of the repurchases
- 3 The amounts are calculated using the IRR function
- 4 Information pulls from the - Var. Rate Long-Term tab
- 5 Information pulls from the - Short-Term tab