

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



October 14, 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, September 2009

Dear Mr. Danner:

Enclosed are an original and five copies of Avista Corporation's Power Cost Deferral Report for the month of September 2009. The report includes the monthly energy recovery mechanism (ERM) accounting journal together with backup workpapers. In September actual net power costs were lower than authorized costs by \$1,361,316. The year to date difference is \$8,261,504 in the surcharge direction. A deferral of \$680,658 in the rebate direction was recorded in September.

Actual power supply expense was lower than the authorized level due primarily to low electricity purchase prices and low natural gas fuel prices. The average purchase price was \$49.05/MWh compared to an authorized price of \$77.17/MWh. The average natural gas price for Coyote Springs 2 was \$4.16/dth compared to an authorized price of \$8.05/dth.

Hydro generation was 28 aMW below the authorized level. Colstrip generation was 103 aMW below the authorized level due primarily to the outage at Unit 4. Coyote Springs 2 generated 57 aMW above the authorized level and Kettle Falls generation was 39 aMW below the authorized level. The net transmission expense (transmission expense less transmission revenue) was below the authorized level. Washington retail sales were 13 aMW below the authorized level.

In September 2009 the deferral balances decreased by \$3,067,970. The September deferral was -\$680,658, interest amounted to \$55,789, and amortization amounted to -\$2,443,101. The actual deferral balances at the end of September total \$15.7 million. The deferral balances at the end of December 2009 are expected to be approximately \$4.3 million based on the following assumptions:

1. Net projected deferrals of approximately -\$3.4 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.

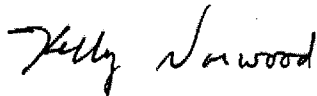
Interest is calculated pursuant to the Settlement Stipulation approved by the Commission's Fifth Supplemental Order in Docket No. UE-011595, dated June 18, 2002. Interest is applied to the average of the beginning and ending month deferral

STATE OF WASHINGTON  
UTILITY AND TRANSPORTATION COMMISSION  
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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 July 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.

Enclosed is a forward long-term power contract that contains confidential, market-sensitive information. Avista and the counter-party to the agreement might be directly affected by disclosure of the confidential information. The first page of the contract and the pages containing confidential information have been marked with the designation "confidential per WAC 480-07-160." The unredacted version is being filed under seal. Six copies of the unredacted version are being submitted in sealed envelopes, copied on yellow paper and identified as "Confidential Attachment A." Six copies of the redacted version are also being submitted. 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, flowing style.

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 2009

**Avista Corporation Journal Entry**

Effective Date: 200909

Journal: 481-WA ERM

Team: Resource Accounting

Type: C


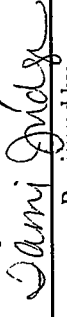
Category: DJ

Last Saved by: Cheryl Kettner

Last Saved: 10/06/2009 3:21 PM

Submitted by: Cheryl Kettner

Seq.	Co.#	FERC	Seq.	Jur.	S.I.	Debit	Credit	Comment
10	001	557290 - WA ERM AMORTIZATION	ED	WA	DL	2,443,101.00		WA ERM surcharge amortization
20	001	182350 - REGULATORY ASSET ERM APPROVED FOR F	ED	WA	DL		2,443,101.00	WA ERM authorized for recovery
25	001	182350 - REGULATORY ASSET ERM APPROVED FOR F	ED	WA	DL	47,703.00		Accrue interest on deferral balance authorized for recovery
30	001	557280 - DEFERRED POWER SUPPLY EXPENSE	ED	WA	DL	680,658.00		WA ERM current month deferral
40	001	186280 - REGULATORY ASSET ERM DEFERRED CURF	ED	WA	DL		680,658.00	WA ERM current year deferral
60	001	186280 - REGULATORY ASSET ERM DEFERRED CURF	ED	WA	DL	8,086.00		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	0.00	55,789.00	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		680,658.00	Track 50% company band accumulation
150	001	186035 - REGULATORY ASSET ERM 50% CONTRA	ED	WA	DL	680,658.00		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
<b>TOTALS:</b>						<b>3,860,206.00</b>	<b>3,860,206.00</b>	

  
 Prepared by Cheryl Kettner  
 Date 10/6/09  
  
 Reviewed by  
 Date 10/6/09

**Explanation:**

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

Approved for Entry \_\_\_\_\_ Date \_\_\_\_\_  
 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	
200908	USD	-162,745.00		2,826,082.00	
200909	USD	-672,572.00		2,153,510.00	

**ERM Deferral Balance (Current Year - 2009)**

**Account 186280.ED.WA**

	<u>Amount</u>	<u>Journal ID</u>
Balance 8/31/09	\$2,826,082.00	
Deferral	-680,658.00	481 - WA ERM
Interest	8,086.00	481 - WA ERM
Balance 9/30/09	<u>\$2,153,510.00</u>	
Year to date deferrals	\$2,130,752.00	
Year to date interest	22,758.00	
Balance in account	<u>\$2,153,510.00</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	
200908	USD	0.00		0.00	
200909	USD	0.00		0.00	

Journal Details      Summary Balances

**ERM Deferral Balance (Prior year - 2008)**

**Account 186290.ED.WA**

Balance 8/31/09  
 No current month entry  
 Balance 9/30/09

<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 **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	
200908	USD	2,464,513.00		15,919,195.65	
200909	USD	2,395,398.00		13,523,797.65	

Journal Details      Summary Balances

**Recoverable Deferral Balance**  
**Account 182350.ED.WA**  
 Balance 8/31/09  
 Amortization  
 Interest  
 Balance 9/30/09

Amount	Journal ID
\$15,919,195.65	
-2,443,101.00	481 - WA ERM
47,703.00	481 - WA ERM
<u>\$13,523,797.65</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	
200908	USD	0.00		4,000,000.00	
200909	USD	0.00		4,000,000.00	

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

Balance 8/31/09  
 Current month entry  
 Balance 9/30/09

Amount	Journal ID
\$4,000,000.00	
0.00	481 - WA ERM
\$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%	4,261,504.00	2,130,752.00	2,130,752.00
Over \$10,000,000 at 10%	0.00	0.00	0.00
Total	\$8,261,504.00	\$6,130,752.00	\$2,130,752.00



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	
200908	USD	0.00		4,000,000.00	
200909	USD	0.00		4,000,000.00	

Journal Details      Summary Balances

**ERM \$4M Deadband Contra Account**  
**Account 186020.ED.WA**  
 Balance 8/31/09  
 Current month entry  
 Balance 9/30/09

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	
200908	USD	-171,919.00		2,811,410.00	
200909	USD	-680,658.00		2,130,752.00	

Journal Details      Summary Balances

**ERM 50%-50% Sharing Band**

**Account 186030.ED.WA**

Balance 8/31/09

Current month entry

Balance 9/30/09

Amount

\$2,811,410.00

-680,658.00

\$2,130,752.00

Journal ID

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>
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%	4,261,504.00	2,130,752.00	2,130,752.00
Over \$10,000,000 at 10%	0.00	0.00	0.00
<b>Total</b>	<b>\$8,261,504.00</b>	<b>\$6,130,752.00</b>	<b>\$2,130,752.00</b>

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	
200908	USD	171,919.00		2,811,410.00	
200909	USD	680,658.00		2,130,752.00	

Journal Details      Summary Balances

**ERM 50%-50% Sharing Contra Account**  
**Account 186035.ED.WA**  
 Balance 8/31/09  
 No current month entry  
 Balance 9/30/09

Amount	Journal ID
-\$2,811,410.00	
680,658.00	481 - WA ERM
<u>-\$2,130,752.00</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	
200908	USD	0.00		0.00	
200909	USD	0.00		0.00	

Journal Details      Summary Balances

**ERM 90%-10% Sharing Band**  
**Account 186040.ED.WA**  
 Balance 8/31/09  
 No current month entry  
 Balance 9/30/09

Amount	Journal ID
\$0.00	
0.00	481 - WA ERM
<u>\$0.00</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
4,261,504.00	2,130,752.00	2,130,752.00
0.00	0.00	0.00
<u>\$8,261,504.00</u>	<u>\$6,130,752.00</u>	<u>\$2,130,752.00</u>

Detail Balances (AVA CORP) - 001.186045.ED.WA.DL					
Balance Type			Currency Type		Entered
Actual			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	
200908	USD	0.00		0.00	
200909	USD	0.00		0.00	

**ERM 90%-10% Sharing Contra Account**  
**Account 186045.ED.WA**  
 Balance 8/31/09  
 No current month entry  
 Balance 9/30/09

Amount	Journal ID
\$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	
200908	USD	919,540.30		6,560,846.30	
200909	USD	1,073,789.50		5,487,056.80	

**DFIT Associated with ERM Deferrals**

**Account 283280.ED.WA**

Account 186280.ED.WA balance	\$2,153,510.00
Account 186290.ED.WA balance	0.00
Account 182350.ED.WA balance	13,523,797.65
Total	<u>\$15,677,307.65</u>
Federal income tax rate	-35%
Deferred FIT related to deferrals	<u>-\$5,487,058</u>
Rounding	1
Balance in account	<u><u>-\$5,487,057</u></u>

<b>Changes Semiannually on January 1 and July 1 Beginning 7/1/02</b>						
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		
<b>Account 186280</b>			<b>2009 Interest</b>			
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				
			<u>January</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
January	ERM Deferral	0	Deferral	0	Operating	0
January	Interest	0	Interest	0	Nonoperating	0
01-31-2009	Balance before interest	0		0	Total	0
			<u>February</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
February	ERM Deferral	0	Deferral	0	Operating	0
February	Interest	0	Interest	0	Nonoperating	0
02-28-2009	Balance before interest	0		0	Total	0
			<u>March</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
March	ERM Deferral	0	Deferral	0	Operating	0
March	Interest	0	Interest	0	Nonoperating	0
03-31-2009	Balance before interest	0		0	Total	0
			<u>April</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
April	ERM Deferral	0	Deferral	0	Operating	0
April	Interest	0	Interest	0	Nonoperating	0
04-30-2009	Balance before interest	0		0	Total	0
			<u>May</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
May	ERM Deferral	0	Deferral	0	Operating	0
May	Interest	0	Interest	0	Nonoperating	0
05-31-2009	Balance before interest	0		0	Total	0
			<u>June</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
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				
			<u>July</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
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)
			<u>August</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
August	ERM Deferral	(171,919)	Deferral	(60,172)	Operating	60,172
August	Interest	9,174	Interest	3,211	Nonoperating	(3,211)
08-31-2009	Balance before interest	2,811,571		(56,961)	Total	56,961
			<u>September</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
September	ERM Deferral	(680,658)	Deferral	(238,230)	Operating	238,230
September	Interest	8,086	Interest	2,830	Nonoperating	(2,830)
09-30-2009	Balance before interest	2,130,913		(235,400)	Total	235,400
			<u>GL Balance</u>	<u>Activity</u>	<u>GL Balance</u>	
<b>Net ERM Balance</b>			<b>2,153,510</b>	<b>08-31-09</b>	<b>Sep-09</b>	<b>09-30-09</b>
				<b>2,826,082</b>	<b>(672,572)</b>	<b>2,153,510</b>
<b>ADFIT Balance</b>			<b>(753,729)</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 12/31/08 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
<b>Account 186290</b>		<b>2009 Interest</b>					
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)
				<u>July</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
06-30-2009	GL Balance including interest	7,377,531		Deferral	0	Operating	0
06-30-2009	ERM Transfer to 182350	(7,377,531)		Interest	0	Nonoperating	0
July	Interest		0		0	Total	0
07-31-2009	Balance before interest	0			0		0
				<u>August</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
August	Interest		0	Deferral	0	Operating	0
08-31-2009	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
	<b>Net ERM Balance</b>	0		<b>GL Balance</b>	<b>Activity</b>	<b>GL Balance</b>	
				<b>08-31-09</b>	<b>Sep-09</b>	<b>09-30-09</b>	
	<b>ADFIT Balance</b>	0		0	0	0	
	<b>When WUTC deems 2008 deferred power costs prudent - reclass to 182350.</b>						
	<b>Prudency granted 7/16/09.</b>						



<b>Changes Semiannually on January 1 and July 1 Beginning 7/1/02</b>						
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% The monthly rate is:			0.00546 Before Tax 0.0035463 After Tax 0.35 Tax rate	Actual cost of debt at 6/30/09 is 6.041% The monthly rate is: 0.00503417 Before Tax 0.0032722 After Tax 0.35 Tax rate		
<b>Account 182350</b>			<b>2009 Interest</b>			
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>August</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
August	Surcharge Amortization	(2,520,337)		Amortization	(882,118)	Operating 882,118
August	Interest		55,824	Interest	19,538	Nonoperating (19,538)
08-31-2009	Balance before interest	15,799,899			(862,580)	Total 862,580
				<u>September</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
September	Surcharge Amortization	(2,443,101)		Amortization	(855,085)	Operating 855,085
September	Interest		47,703	Interest	16,696	Nonoperating (16,696)
09-30-2009	Balance before interest	13,356,798			(838,389)	Total 838,389
				<u>GL Balance</u>	<u>Activity</u>	<u>GL Balance</u>
				<u>08-31-2009</u>	<u>Sep-09</u>	<u>09-30-2009</u>
	<b>Net ERM Balance</b>	<b>13,523,798</b>		<b>15,919,196</b>	<b>(2,395,398)</b>	<b>13,523,798</b>
	<b>ADFIT Balance</b>	<b>(4,733,329)</b>				

	<u>182350</u>	<u>Interest</u>	<u>186290</u>	<u>419600</u>
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				
08-31-2009	55,824	9,174	0	(64,998)
Total				
09-30-2009	47,703	8,086	0	(55,789)
Total				



AVISTA CORPORATION  
 SEPTEMBER 2009 WASHINGTON ELECTRIC SURCHARGE REVENUE & DEFERRAL AMORTIZATION

Schedule (a)	Sch 1 Block Percent (b)	kWh or \$ (c)	Proration Percentages		Surcharge Rates		Rate		Current Month Surcharge Revenue	
			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)	1-Jan-06 (j)	Total (h)+(i)
1 (0-600 kWh)	56.214%	95,482,974	0.00%	100.00%	0.405¢	0.446¢	\$0	\$425,854	\$425,854	\$425,854
1 (601-1300 kWh)	28.324%	48,110,075	0.00%	100.00%	0.607¢	0.668¢	0	321,375	321,375	321,375
1 (over 1300 kWh)	15.462%	26,263,169	0.00%	100.00%	0.855¢	0.938¢	0	246,349	246,349	246,349
Total Sch 1	100.000%	169,856,218					0	993,578	993,578	993,578
11		29,965,010	0.00%	100.00%	0.788¢	0.867¢	0	259,797	259,797	259,797
12		2,997,266	0.00%	100.00%	0.788¢	0.867¢	0	25,986	25,986	25,986
21		132,911,648	0.00%	100.00%	0.549¢	0.604¢	0	802,786	802,786	802,786
22		2,845,032	0.00%	100.00%	0.549¢	0.604¢	0	17,184	17,184	17,184
25		76,787,053	0.00%	100.00%	0.352¢	0.387¢	0	297,166	297,166	297,166
30		4,460,300	0.00%	100.00%	0.485¢	0.534¢	0	23,818	23,818	23,818
31		15,325,194	0.00%	100.00%	0.485¢	0.534¢	0	81,837	81,837	81,837
32		1,825,807	0.00%	100.00%	0.485¢	0.534¢	0	9,750	9,750	9,750
41-46		\$366,187	0.00%	100.00%	9.78%	9.02%	0	29,073	29,073	29,073
47		\$104,271	0.00%	100.00%	9.78%	9.02%	0	8,279	8,279	8,279
48		\$68,288	0.00%	100.00%	9.78%	9.02%	0	5,422	5,422	5,422
Schedule Totals		436,973,528					\$0	\$2,554,676	\$2,554,676	\$2,554,676

Conversion factor	0.956325
Amortization	\$2,449,101
FIT rate	-35%
DFIT expense	-\$855,085

kWh not subject to surcharge	22,000
Sch 28	2,209,980
Sch 41-48	439,205,508
Total kWh	439,205,508

Accounting Period	200909	State Code	WA
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Rate Schedule Num	Meters	Usage	Revenue Amt	YTD Avg Meters	Ytd Usage	Ytd Revenue Amt
001	199,886	169,856,218	13,214,322	199,941	1,879,830,005	149,928,645
011	19,169	29,965,010	3,374,718	19,184	282,756,721	31,342,931
012	7,992	2,997,266	365,978	7,922	35,229,235	4,155,310
021	3,265	132,911,648	11,210,925	3,273	1,153,742,701	96,283,398
022	82	2,845,032	232,992	78	28,803,682	2,340,980
025	22	76,787,053	4,276,695	22	657,717,377	36,283,046
028	0	22,000	19,530	0	55,000	164,325
030	34	4,460,300	290,444	34	21,050,720	1,371,866
031	1,112	15,325,194	1,142,628	1,105	80,584,557	6,011,375
032	1,218	1,825,807	140,029	1,217	10,469,962	843,689
041	11	8,720	1,839	11	78,480	16,349
042	277	1,121,533	337,953	275	10,108,999	3,038,495
044	13	21,372	2,488	13	190,996	21,976
044A	0	0	269	0	0	269
045	3	86,565	5,931	3	788,614	53,757
046	19	190,743	17,707	19	1,716,580	157,482
047	0	494,010	104,271	0	4,436,690	932,374
048	0	287,037	68,288	0	2,613,012	620,489
058	0	0	1,253,123	0	0	11,857,897
058A	0	0	-5,691	0	0	-72,504
063	0	0	0	0	0	0
090	0	0	4	0	0	36
095	0	0	14,668	0	0	132,402
099	0	0	61,303	0	0	593,902
Sum	233,103	439,205,508	36,130,414	233,098	4,170,173,331	346,078,489

Avista Utilities  
WASHINGTON POWER COST DEFERRALS

Line No.	WASHINGTON ACTUALS-2009	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
1	555 Purchased Power	\$ 33,956,314	\$ 28,657,796	\$ 29,459,310	\$ 16,648,014	\$ 13,712,393	\$ 12,695,388	\$ 30,094,050	\$ 29,366,666	\$ 28,079,779	\$ -	\$ -	\$ -
2	447 Sale for Resale	\$ (22,741,863)	\$ (21,937,867)	\$ (21,864,088)	\$ (11,004,447)	\$ (12,717,667)	\$ (11,015,086)	\$ (19,715,947)	\$ (16,423,335)	\$ (14,901,779)	\$ -	\$ -	\$ -
3	501 Thermal Fuel	\$ 2,179,880	\$ 2,204,722	\$ 1,603,609	\$ 1,083,718	\$ 293,572	\$ 1,175,957	\$ 1,159,291	\$ 2,456,591	\$ 1,687,229	\$ -	\$ -	\$ -
4	547 CT Fuel	\$ 6,539,393	\$ 10,237,460	\$ 7,433,226	\$ 1,531,956	\$ 805,002	\$ 598,412	\$ 6,609,652	\$ 7,906,448	\$ 7,636,447	\$ -	\$ -	\$ -
5	Actual Net Expense	\$ 19,833,724	\$ 19,162,111	\$ 16,632,057	\$ 8,259,241	\$ 2,093,300	\$ 3,454,671	\$ 18,147,046	\$ 23,301,370	\$ 22,501,676	\$ -	\$ -	\$ -
6	456 Transmission Revenue	\$ (628,628)	\$ (560,003)	\$ (899,322)	\$ (627,732)	\$ (820,458)	\$ (797,802)	\$ (878,522)	\$ (747,123)	\$ (906,713)	\$ -	\$ -	\$ -
7	565 Transmission Expense	\$ 1,207,892	\$ 1,094,291	\$ 1,110,874	\$ 1,141,075	\$ 982,053	\$ 1,029,799	\$ 1,070,037	\$ 1,118,860	\$ 1,074,194	\$ -	\$ -	\$ -
8	557 Broker Fees	\$ 6,856	\$ 7,506	\$ 11,728	\$ 10,282	\$ 13,327	\$ 11,815	\$ 14,875	\$ 5,976	\$ 14,031	\$ -	\$ -	\$ -
9	Less Clearwater 62 aMW directly to ID	\$ (1,618,857)	\$ (1,436,103)	\$ (1,634,222)	\$ (1,478,852)	\$ (1,747,617)	\$ (1,639,802)	\$ (1,573,447)	\$ (1,677,142)	\$ (1,569,413)	\$ -	\$ -	\$ -
10	Adjusted Actual Net Expense	\$ 18,900,987	\$ 18,267,802	\$ 15,221,115	\$ 7,304,014	\$ 520,605	\$ 2,058,681	\$ 16,779,989	\$ 22,001,941	\$ 21,093,775	\$ -	\$ -	\$ -
<b>AUTHORIZED NET EXPENSE-SYSTEM</b>													
11	555 Purchased Power	\$ 193,363,843	\$ 22,497,321	\$ 23,748,739	\$ 9,576,306	\$ 6,013,732	\$ 6,135,751	\$ 11,291,787	\$ 14,534,468	\$ 15,911,420	\$ 16,868,118	\$ 17,130,195	\$ 18,840,297
12	447 Sale for Resale	\$ (114,526,485)	\$ (14,285,980)	\$ (15,604,909)	\$ (8,013,034)	\$ (12,014,237)	\$ (10,521,527)	\$ (12,975,470)	\$ (7,700,787)	\$ (6,912,310)	\$ (2,903,607)	\$ (4,498,401)	\$ (4,075,797)
13	501 Thermal Fuel	\$ 30,388,680	\$ 2,625,149	\$ 2,858,774	\$ 2,503,526	\$ 1,171,537	\$ 1,230,713	\$ 2,823,145	\$ 2,907,513	\$ 2,808,407	\$ 2,900,544	\$ 2,821,155	\$ 2,885,342
14	547 CT Fuel	\$ 75,438,365	\$ 5,339,721	\$ 7,064,719	\$ 5,388,438	\$ 1,822,977	\$ 1,374,669	\$ 7,640,615	\$ 10,638,904	\$ 9,441,646	\$ 7,054,881	\$ 8,772,818	\$ 9,013,307
15	456 Transmission Revenue	\$ (9,252,369)	\$ (656,246)	\$ (730,202)	\$ (696,692)	\$ (790,645)	\$ (1,121,595)	\$ (1,014,918)	\$ (861,786)	\$ (653,241)	\$ (718,736)	\$ (703,074)	\$ (632,690)
16	565 Transmission Expense	\$ 14,331,977	\$ 1,193,417	\$ 1,193,417	\$ 1,193,417	\$ 1,193,417	\$ 1,193,417	\$ 1,193,417	\$ 1,193,417	\$ 1,204,390	\$ 1,193,417	\$ 1,193,417	\$ 1,193,417
17	557 Broker Fees	\$ 52,000	\$ 4,334	\$ 4,334	\$ 4,334	\$ 4,333	\$ 4,333	\$ 4,333	\$ 4,333	\$ 4,333	\$ 4,333	\$ 4,333	\$ 4,333
18	Authorized Net Expense	\$ 189,795,989	\$ 18,443,440	\$ 16,858,591	\$ 6,390,834	\$ 3,047,194	\$ 1,193,238	\$ 8,982,909	\$ 20,716,062	\$ 21,804,645	\$ 24,398,950	\$ 24,720,443	\$ 27,228,209
19	Actual - Authorized Net Expense	\$ (67,647,080)	\$ (175,638)	\$ (1,637,476)	\$ 913,180	\$ 3,567,799	\$ 3,251,919	\$ 7,817,080	\$ 1,285,879	\$ (710,870)	\$ (24,398,950)	\$ (24,720,443)	\$ (27,228,209)
20	Resource Optimization	\$ (766,615)	\$ 1,956,261	\$ 462,141	\$ 2,417,715	\$ 115,108	\$ (53,042)	\$ (1,738,089)	\$ (1,860,369)	\$ (2,053,036)	\$ 29,760	\$ 28,840	\$ 29,760
21	Adjusted Net Expense	\$ (68,413,695)	\$ (3,655,090)	\$ (286,503)	\$ 1,028,288	\$ 3,466,135	\$ 3,198,877	\$ 6,078,991	\$ (574,490)	\$ (2,763,906)	\$ (24,369,190)	\$ (24,691,603)	\$ (27,198,449)
22	Washington Allocation @ 64.59%	\$ (44,188,406)	\$ (2,360,823)	\$ 185,052	\$ 664,171	\$ 2,238,777	\$ 2,066,155	\$ 3,926,420	\$ (371,053)	\$ (1,785,207)	\$ (15,740,060)	\$ (15,948,306)	\$ (17,567,478)
23	WA Retail Revenue Adjustment	\$ 3,194,065	\$ 866,197	\$ (111,916)	\$ (1,658,315)	\$ 294,078	\$ 767,426	\$ 1,858,733	\$ 27,225	\$ 423,890	\$ -	\$ -	\$ -
24	Net Power Cost Increase (Decrease)	\$ (1,694,626)	\$ 173,136	\$ (1,154,359)	\$ 1,490,918	\$ 2,532,855	\$ 2,833,581	\$ 5,785,153	\$ (343,838)	\$ (1,361,317)	\$ -	\$ -	\$ -
25	Cumulative Balance	\$ (1,694,626)	\$ (1,521,490)	\$ (2,675,849)	\$ (1,184,931)	\$ 1,347,924	\$ 4,181,505	\$ 9,966,658	\$ 9,622,820	\$ 8,261,503	\$ 8,261,503	\$ 8,261,503	\$ 8,261,503

Deferral %  
 Surch  
 Reb  
 check # should be zero

Deferral Amount, Cumulative  
 Deferral Amount, Monthly  
 Account 557 Actuals  
 Company Band Gross Margin Impact, Cumulative

Avista Utilities  
 System Power Supply Expenses  
 WASHINGTON DEFERRED POWER COST CALCULATION

Line No.	744 Jan-09	672 Feb-09	743 Mar-09	720 Apr-09	744 May-09	744 Jun-09	744 Jul-09	744 Aug-09	720 Sep-09
<b>555 PURCHASED POWER</b>									
1	22,822,489	19,163,442	20,539,826	7,921,765	5,947,423	5,045,912	22,619,349	21,903,863	20,720,876
2	198,396	166,911	133,427	99,673	27,413	23,617	78,797	156,263	116,886
3	975,269	460,985	642,598	885,246	902,516	820,338	891,001	815,588	812,077
4	118,798	142,225	117,104	106,349	149,316	428,681	114,618	133,090	110,908
5	509,220	509,220	406,220	509,220	509,220	509,220	509,220	509,220	509,220
6	124,153	126,636	124,153	124,153	124,153	124,153	124,153	124,153	139,316
7	933,501	933,501	933,501	933,501	933,501	933,501	933,501	933,501	933,501
8	0	0	0	0	0	0	0	0	0
9	730	800	1,037	242	874	79	354	544	579
10	54,154	77,947	141,008	128,046	107,818	100,909	101,825	49,509	37,127
11	296,159	215,980	274,819	222,714	205,208	212,046	14,331	0	0
12	3,123,031	2,821,971	1,541,845	1,493,289	0	0	0	0	0
13	576,600	520,800	575,825	558,000	576,600	558,000	576,600	576,600	558,000
14	572,880	517,440	572,110	554,400	572,880	554,400	572,880	572,880	554,400
15	565,440	510,720	564,680	547,200	565,440	547,200	565,440	565,440	546,440
16	641,700	579,600	640,838	621,000	641,700	621,000	641,700	641,700	621,000
17	90,520	72,607	67,926	114,509	155,324	162,750	165,510	205,431	211,090
18	1,618,857	1,436,103	1,634,222	1,478,852	1,747,617	1,639,802	1,573,447	1,677,142	1,589,413
19	111,301	92,115	73,190	70,300	61,968	29,964	59,602	63,499	117,853
20	341,046	91,710	373,294	202,108	297,756	256,902	197,980	284,528	205,965
21	192,200	192,200	0	0	0	0	167,400	167,400	169,536
22	23,730	9,525	21,854	75,077	93,157	99,350	49,818	10,796	20,274
23	68,088	55,938	66,750	51,286	52,095	50,262	55,684	55,363	53,409
24	(1,948)	(40,180)	13,083	(48,916)	40,414	(22,698)	86,840	(79,844)	51,909
25	33,956,314	28,657,796	29,459,310	16,648,014	13,712,393	12,695,388	30,094,050	29,366,666	28,079,779

(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

555000	\$ 18,210,628	\$ 14,140,942	\$ 12,793,618	\$ 9,757,297	\$ 8,778,957	\$ 6,852,446	\$ 11,409,072	\$ 13,444,768	\$ 11,867,326
555100	\$ 1,610,921	\$ 1,277,901	\$ 1,712,800	\$ 278	\$ (71,864)	\$ 133,657	\$ 3,614,038	\$ 3,496,175	\$ 3,273,507
555380	\$ 1,618,857	\$ 1,436,103	\$ 1,634,222	\$ 1,478,852	\$ 1,747,617	\$ 1,639,802	\$ 1,573,447	\$ 1,677,142	\$ 1,589,413
555700	\$ 12,289,572	\$ 11,642,339	\$ 13,219,748	\$ 5,332,619	\$ 3,165,144	\$ 4,041,919	\$ 13,354,969	\$ 10,771,062	\$ 11,244,215
555710	\$ 66,088	\$ 55,938	\$ 66,750	\$ 51,286	\$ 52,095	\$ 50,262	\$ 55,684	\$ 55,363	\$ 53,409
555550	\$ (1,948)	\$ (40,180)	\$ 13,083	\$ (48,916)	\$ 40,414	\$ (22,698)	\$ 86,840	\$ (79,844)	\$ 51,909
WNP3 Mid Point	\$ 160,196	\$ 144,753	\$ 79,089	\$ 76,598	\$ 40,414	\$ -	\$ -	\$ -	\$ -
	\$ 33,956,314	\$ 28,657,796	\$ 29,459,310	\$ 16,648,014	\$ 13,712,393	\$ 12,695,388	\$ 30,094,050	\$ 29,366,666	\$ 28,079,779
<b>447 SALES FOR RESALE</b>									
26	18,885,195	18,586,741	18,825,536	8,450,579	10,172,830	8,802,552	16,568,492	12,858,489	11,635,577
27	144,891	146,345	144,955	146,215	146,085	146,150	145,020	146,020	146,150
28	9,762	7,899	7,490	7,922	7,354	6,628	13,411	66,857	70,102
29	36,126	32,801	33,339	33,256	48,164	61,954	25,690	26,885	24,591
30	182,533	143,192	129,426	70,925	79,445	60,365	149,599	166,053	117,658
31	71,621	52,914	8,912	48,564	82,488	78,752	41,017	80,856	98,912
32	484,528	476,761	482,727	408,075	208,356	199,886	336,239	515,746	510,851
33	143,563	102,935	127,161	56,047	60,157	38,767	81,529	91,192	55,221
34	2,715,563	2,332,341	2,037,792	1,704,178	1,859,693	1,569,770	2,299,266	2,418,874	2,189,308
35	68,088	55,938	66,750	51,286	52,095	50,262	55,684	55,363	53,409
36	22,741,863	21,937,867	21,864,088	11,004,447	12,717,667	11,015,086	19,715,947	16,428,335	14,901,779

447000	\$ (7,837,633)	\$ (8,458,198)	\$ (7,230,011)	\$ (4,326,333)	\$ (8,461,858)	\$ (5,182,926)	\$ (5,189,639)	\$ (3,517,873)	\$ (2,507,835)
447100	\$ (19,512,769)	\$ (12,198,295)	\$ (13,329,683)	\$ (5,285,975)	\$ (2,641,825)	\$ (4,242,401)	\$ (13,007,575)	\$ (10,928,518)	\$ (10,396,775)
447700	\$ (1,391,461)	\$ (1,341,376)	\$ (1,220,226)	\$ (991,371)	\$ (1,240,512)	\$ (1,012,442)	\$ (1,516,733)	\$ (1,981,944)	\$ (1,965,145)
447720	\$ (22,741,863)	\$ (21,937,867)	\$ (21,864,088)	\$ (11,004,447)	\$ (12,717,667)	\$ (11,015,086)	\$ (19,715,947)	\$ (16,428,335)	\$ (14,901,779)

Avista Utilities  
 System Power Supply Expenses  
 WASHINGTON DEFERRED POWER COST CALCULATION

Line No.		ACTUALS											
		744 Jan-09	672 Feb-09	743 Mar-09	720 Apr-09	744 May-09	744 Jun-09	744 Jul-09	744 Aug-09	720 Sep-09			
<b>501 FUEL-DOLLARS</b>													
37	Kettle Falls-501110	\$ 653,209	\$ 695,926	\$ 449,073	\$ 282,427	\$ 851	\$ 489,302	\$ 564,567	\$ 904,390	\$ 653,971			
38	Colstrip Coal-501140	\$ 1,521,782	\$ 1,502,386	\$ 1,157,043	\$ 784,652	\$ 287,463	\$ 686,739	\$ 576,404	\$ 1,532,508	\$ 1,029,550			
39	Total Coal & Wood	\$ 2,174,971	\$ 2,198,312	\$ 1,606,116	\$ 1,067,079	\$ 288,314	\$ 1,176,041	\$ 1,130,971	\$ 2,436,898	\$ 1,683,521			
40	Kettle Falls GS-501120	\$ 4,909	\$ 2,403	\$ 2,471	\$ 132	\$ 19	\$ (149)	\$ 8,390	\$ 397	\$ 3,046			
41	Colstrip Oil-501160	\$ -	\$ 4,007	\$ (4,978)	\$ 16,507	\$ 5,239	\$ 65	\$ 19,930	\$ 19,296	\$ 682			
42	Total Oil & Gas	\$ 4,909	\$ 6,410	\$ (2,507)	\$ 16,639	\$ 5,258	\$ (84)	\$ 28,320	\$ 19,693	\$ 3,708			
43	Total Account 501	\$ 2,179,880	\$ 2,204,722	\$ 1,603,609	\$ 1,083,718	\$ 293,572	\$ 1,175,957	\$ 1,159,291	\$ 2,456,591	\$ 1,687,229			
<b>501 FUEL-TONS</b>													
44	Kettle Falls	27,151	29,722	27,327	12,159	-	19,996	21,937	35,246	25,493			
45	Colstrip	107,102	92,929	93,314	41,516	43,525	34,163	46,344	51,341	49,266			
<b>501 FUEL-COST PER TON</b>													
46	Kettle Falls	\$ 24.06	\$ 23.41	\$ 16.43	\$ 23.23	#DIV/0!	\$ 24.47	\$ 25.28	\$ 25.66	\$ 25.65			
47	Colstrip	\$ 14.21	\$ 16.27	\$ 12.40	\$ 18.90	\$ 6.60	\$ 20.10	\$ 12.44	\$ 29.85	\$ 20.90			
<b>547 FUEL</b>													
48	NE CT Gas/Oil-547213	\$ 278	\$ 194	\$ -	\$ -	\$ -	\$ 1,918	\$ 1,016	\$ (232)	\$ (85)			
49	Boulder Park-547216	\$ 3,239	\$ 1,808	\$ 131,948	\$ 68,372	\$ 16,837	\$ 19,627	\$ 212,203	\$ 327,478	\$ 341,988			
50	Kettle Falls CT-547211	\$ 672	\$ 394	\$ (32)	\$ (1,152)	\$ 7	\$ (53)	\$ 56,920	\$ 104,884	\$ 38,235			
51	Coyote Springs-547610	\$ 6,542,047	\$ 10,233,807	\$ 7,193,784	\$ 1,407,584	\$ 747,896	\$ 553,678	\$ 6,267,066	\$ 6,684,002	\$ 6,310,200			
52	Rathdrum CT-547310	\$ (6,843)	\$ 1,257	\$ 107,516	\$ 57,142	\$ 40,262	\$ 23,242	\$ 72,447	\$ 780,316	\$ 946,109			
53	Total Account 547	\$ 6,539,393	\$ 10,237,460	\$ 7,433,226	\$ 1,531,956	\$ 805,002	\$ 598,412	\$ 6,609,652	\$ 7,906,448	\$ 7,636,447			
54	TOTAL NET EXPENSE	\$ 19,933,724	\$ 19,162,111	\$ 16,632,057	\$ 8,259,241	\$ 2,093,300	\$ 3,454,671	\$ 18,147,046	\$ 23,301,370	\$ 22,501,676			
<b>455 TRANSMISSION REV</b>													
456100	ED AN	\$ (621,149)	\$ (552,524)	\$ (891,843)	\$ (620,253)	\$ (812,979)	\$ (790,323)	\$ (871,043)	\$ (799,476)	\$ (906,713)			
	to WA summary	\$ (628,628)	\$ (560,003)	\$ (899,322)	\$ (627,732)	\$ (820,458)	\$ (797,802)	\$ (878,522)	\$ (747,123)	\$ (906,713)			
<b>555 TRANSMISSION EXP</b>													
565000	ED AN	\$ 1,205,862	\$ 1,092,261	\$ 1,108,844	\$ 1,139,045	\$ 960,023	\$ 1,027,769	\$ 1,055,346	\$ 1,116,830	\$ 1,072,164			
565710	ED AN	\$ 2,030	\$ 2,030	\$ 2,030	\$ 2,030	\$ 2,030	\$ 2,030	\$ 14,691	\$ 2,030	\$ 2,030			
	to WA summary	\$ 1,207,892	\$ 1,094,291	\$ 1,110,874	\$ 1,141,075	\$ 962,053	\$ 1,029,799	\$ 1,070,037	\$ 1,118,860	\$ 1,074,194			
557170	ED AN Broker Fees	\$ 6,856	\$ 7,506	\$ 11,728	\$ 10,282	\$ 13,327	\$ 11,815	\$ 14,875	\$ 5,976	\$ 14,031			
<b>RESOURCE OPTIMIZATION</b>													
Econ Dispatch-557150	\$ 7,811,315	\$ 2,692,645	\$ 6,419,422	\$ 3,458,788	\$ 751,706	\$ (54,785)	\$ 2,705,061	\$ 2,777,432	\$ -	\$ 2,182,782			
Gas Bookouts-557700	\$ -	\$ -	\$ -	\$ 107,417	\$ -	\$ -	\$ (107,417)	\$ -	\$ -	\$ 45,750			
Fuel Dispatch-456015	\$ (5,745,102)	\$ (2,229,050)	\$ (3,997,753)	\$ (3,344,348)	\$ (851,916)	\$ 3,197	\$ (4,440,355)	\$ (4,637,801)	\$ -	\$ (4,235,818)			
Fuel Bookouts-456720	\$ -	\$ -	\$ -	\$ (105,295)	\$ -	\$ -	\$ 105,295	\$ -	\$ -	\$ (45,750)			
	to WA summary	\$ 2,066,213	\$ 463,595	\$ 2,421,669	\$ 116,562	\$ (100,210)	\$ (51,588)	\$ (1,737,416)	\$ (1,860,369)	\$ (2,053,036)			
Misc Rev's 456016 ED AN	\$ (109,952)	\$ (1,454)	\$ (3,954)	\$ (1,454)	\$ (1,454)	\$ (673)	\$ -	\$ -	\$ -	\$ -			
40 aMW at \$1	\$ 29,760	\$ 26,880	\$ 29,720	\$ 28,800	\$ 29,760	\$ 28,800	\$ 28,800	\$ 29,760	\$ 29,760	\$ 28,800			
REC Expense Authorized	\$ 29,760	\$ 26,880	\$ 29,720	\$ 28,800	\$ 29,760	\$ 28,800	\$ 28,800	\$ 29,760	\$ 29,760	\$ 28,800			
557160 ED AN Actuals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
	to WA summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Net Resource Optimization	\$ 1,956,261	\$ 462,141	\$ 2,417,715	\$ 115,108	\$ (101,664)	\$ (53,042)	\$ (1,738,089)	\$ (1,860,369)	\$ (1,860,369)	\$ (2,053,036)			
Adjusted Actual Net Expense	\$ 22,476,105	\$ 20,166,046	\$ 19,273,052	\$ 8,897,974	\$ 2,166,558	\$ 3,645,441	\$ 16,615,347	\$ 21,818,714	\$ 20,630,152	\$ 20,630,152			



AVISTA UTILITIES  
 Washington Electric Jurisdiction  
 Energy Recovery Mechanism Revenue Credit  
 Month of September 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	415,249,675	397,044,965	451,871,519	439,205,508	(287,976,540)	-	-	4,170,173,381
Deduct Prior Month Unbilled kWhs	(410,882,853)	(359,706,111)	(300,949,240)	(310,045,864)	(273,851,277)	(280,198,185)	(266,940,385)	(305,815,811)	(310,896,713)	(287,976,540)	-	-	(3,107,262,999)
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	310,896,713	287,976,540	(287,976,540)	-	-	2,696,380,146
Washington Retail kWhs	543,026,281	482,809,507	503,779,199	395,325,537	411,176,472	401,991,875	435,920,391	456,962,421	416,285,335	(287,976,540)	-	-	3,789,290,478
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)	(15,466,055)	(39,878,418)	(1,591,419)	(9,100,150)	-	-	-	(68,650,854)
WA Retail Revenue Credit (1)	(\$688,371)	\$9,775	\$1,657,995	(\$827,003)	(\$294,298)	(\$721,027)	(\$1,859,132)	(\$74,192)	(\$424,249)	\$0	\$0	\$0	(\$3,200,503)
Net Wind Revenue Credit	\$2,174	\$2,141	\$320	\$256	\$220	\$221	\$399	\$347	\$359	\$0	\$0	\$0	\$6,437
Total Revenue Credit	(\$666,197)	\$11,916	\$1,658,315	(\$826,747)	(\$294,078)	(\$720,806)	(\$1,859,733)	(\$73,845)	(\$423,890)	\$0	\$0	\$0	(\$3,194,066)

(1) from APPENDIX 2 of the Settlement Agreement in Docket No. UE-080416

(2) June Revenue Credit as included in PCA journal due to input error

Correction to June Revenue Credit

August Revenue Credit Entry \$46,620

(\$27,225)

Description	August	September	October	November	December	YTD
Current Period Schedule 95 Revenue	\$14,728.58	\$14,645.85	\$14,618.77	\$14,751.61	\$14,783.47	\$132,402.25
Schedule 95 Revenue in Base Rates	\$ 11,730.36	\$ 11,692.65	\$ 14,177.63	\$ 14,398.94	\$ 14,305.11	\$165,557.72
Incremental Schedule 95 Renewable Revenue	\$2,998.22	\$2,953.20	\$441.14	\$304.55	\$478.36	\$8,878.22
Deduct Admin Expense	\$824.51	\$612.13	\$121.31	\$97.04	\$83.59	\$2,441.51
0.005 x 55 = 0.275 per Revenue \$	\$2,173.71	\$2,141.07	\$319.83	\$255.84	\$399.16	\$6,436.71
Net Renewable Revenue Credit	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

“Redacted Attachment A”

Avista Corporation  
Monthly Power Cost Deferral Report  
Month of September 2009

Long-term Power Transaction  
(See attached)



# City of Seattle

Greg Nickels, Mayor

"confidential per WAC 480-07-160"

SCL 1106482M

3 pages

**Seattle City Light**  
 Jorge Carrasco, Superintendent  
 12  
 August 10, 2009

Mr. Bill Johnson  
 Wholesale Marketing Manager  
 Avista Corp. Washington Water Power Division

Via Facsimile: 509-495-8856

Dear Mr. Johnson:

This Confirmation Letter shall confirm a transaction agreed to between Bill Johnson (509-495-4046) of Avista Corp. and Dennis Sismaet (206-615-0960) of Seattle City Light on August 10, 2009 of the sale of Firm Capacity Service by Seattle City Light to Avista Corp. This agreement is being concluded pursuant to the WSPP, Inc. (WSPP) Agreement effective February 1, 2009 as it is supplemented and modified below.

**Product:** Firm Capacity Service and Energy Exchange

**Buyer:** Avista Corp. Washington Water Power Division ("Avista" or "Buyer")

**Seller:** Seattle City Light ("SCL" or "Seller")

**Term:** October 1, 2009 through March 31, 2010 and July 1, 2010 through September 30, 2010

**Type of Service:** WSPP Service Schedule C

**Delivery Capacity:** █ MW every month during the Term.

**Energy Delivery Point:** Mid Columbia or other point upon mutual agreement

**Energy Return Point:** Mid Columbia or other point upon mutual agreement

**Days Available:** Every day during the Term.

**Delivery To Avista:** Each day over the Term, Avista can schedule and take delivery of energy for █ for a total maximum energy delivery by SCL of █ MWh. Delivery can be in any █ hours as requested by Avista. Delivery does not need to be in a contiguous █ hour block but must be the same quantity for each of the █ hours.

Avista Utilities  
08/10/09  
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"confidential per WAC 480-07-160"

**Delivery To SCL:**

Each day over the Term, Avista will identify and inform SCL of its choice of [REDACTED] during which Avista will deliver equal hourly amounts to SCL for a total daily return of [REDACTED] MWh. Delivery does not need to be in a contiguous [REDACTED] hour block. Within each day these transactions will be energy neutral with the amount of energy delivery to Avista equal to the energy returned to SCL.

**Daily Preschedule Election:** All deliveries under this agreement will be performed and scheduled by the parties only on a preschedule basis. Avista will notify SCL by **6:30 A.M. PPT** on the standard WECC preschedule day for each day of delivery. SCL will have the right to use the most recent previous schedule if the notification by Avista is late. If requested by SCL, Avista will make best efforts to provide SCL an estimate of its Preschedule Election by 2:00 P.M. PPT the day prior to the standard WECC preschedule day.

**Capacity Payment:**

[REDACTED] of energy available for delivery by SCL to Avista. Avista will pay SCL [REDACTED] within three days of SCL signing this agreement in fulfillment of this capacity payment obligation.

[REDACTED]

**Schedule Curtailments:**

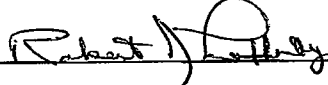
In the event that deliveries of energy are curtailed either from SCL or Avista due to reasons beyond a party's control, the parties will arrange to make up energy shortfalls during like hours and which are mutually agreeable to both parties. Best efforts should be made first, to keep the quantity of energy delivered to Avista equal to the quantity of energy returned to SCL within the day. Otherwise, the curtailed amounts shall be redirected or booked out financially to keep the other party whole.

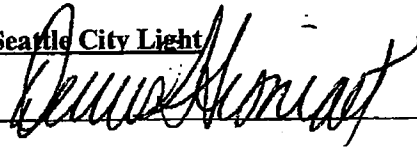
Avista Utilities  
08/10/09  
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Please indicate your acceptance of the term and conditions of this agreement in the space provided.

Sincerely,

  
Dennis Sismaet  
Interim Director, Power Operations and Marketing

Avista Corp  
By:   
Name: Robert J. Lafferty  
Title: Director, Power Supply  
Date: 8-13-09

Seattle City Light  
By:   
Name: Dennis Sismaet  
Title: Interim Director, Power Operations and Marketing  
Date: 8-12-2009

*cps 8/12/09*

DHR:dr -- (Avista Confirm Q409-Q1Q310)  
SCL# 1106482 M