

Avista Corp.
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Spokane, Washington 99220-3727
Telephone 509-489-0500
Toll Free 800-727-9170



Corp.

January 15, 2010

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

Re: Docket No. UE-011595, Monthly Power Cost Deferral Report, December 2009

Dear Mr. Danner:

Enclosed are an original and five copies of Avista Corporation's Power Cost Deferral Report for the month of December 2009. The report includes the monthly energy recovery mechanism (ERM) accounting journal together with backup workpapers. In December actual net power costs were lower than authorized costs by \$3,943,727. The year to date difference is \$3,037,637 in the rebate direction, which is within the \$4 M deadband. The 2009 deferral balance is \$29,449 at December 30, 2009, and consists of interest on previously deferred 2009 amounts that have been subsequently reversed as power supply cost differences switched from being in the surcharge direction to being in the rebate direction.

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 \$54.82/MWh compared to an authorized price of \$73.43/MWh. The average natural gas price for Coyote Springs 2 was \$4.82/dth compared to an authorized price of \$9.04/dth.

Hydro generation was 4 aMW above the authorized level. Colstrip generation was 1 aMW above the authorized level and Kettle Falls generation was 2 aMW below the authorized level. Coyote Springs 2 generation was 96 aMW above the authorized level. The net transmission expense (transmission expense less transmission revenue) was above the authorized level. Washington retail sales were 47 aMW above the authorized level due to cold weather.

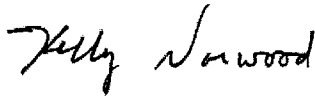
In December 2009 the deferral balances decreased by \$2,724,771. The December deferral was zero, interest amounted to \$24,034, and amortization amounted to \$2,748,805. The actual deferral balances at the end of December total \$6,263,444. The Company has filed a proposal to eliminate the existing surcharge, effective February 12, 2010.

2010 JAN 20 AM 8:07
STANLEY
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
OLYMPIA, WA

Interest is calculated pursuant to the Settlement Stipulation approved by the Commission's Fifth Supplemental Order in Docket No. UE-011595, dated June 18, 2002. Interest is applied to the average of the beginning and ending month deferral balances net of associated deferred federal income tax. The Company's weighted cost of debt is used as the interest rate. The interest rate is updated semi-annually and interest is compounded semi-annually. The January and July reports contain the supporting workpapers for the semi-annual updates of the weighted cost of debt used in the interest calculations. Page 23 of the July report shows the calculation of the weighted cost of debt at June 30, 2009, which was 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 December 2009. If you have any questions, please contact Bill Johnson at (509) 495-4046 or Ron McKenzie at (509) 495-4320.

Sincerely,

Handwritten signature of Kelly Norwood in cursive script.

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 2009

Avista Corporation Journal Entry

Effective Date: 200912
 Last Saved by: Cheryl Kettner
 Submitted by: Cheryl Kettner

Journal: 481-WA ERM
 Team: Resource Accounting
 Type: C
 Category: DJ

<u>Ser.</u>	<u>Co.#</u>	<u>FERC</u>	<u>Ser.</u>	<u>Jur.</u>	<u>S.I.</u>	<u>Debit</u>	<u>Credit</u>	<u>Comment</u>
10	001	557290 - WA ERM AMORTIZATION	ED	WA	DL	2,748,805.00		WA ERM surcharge amortization
20	001	182350 - REGULATORY ASSET ERM APPROVED FOR F	ED	WA	DL		2,748,805.00	WA ERM authorized for recovery
25	001	182350 - REGULATORY ASSET ERM APPROVED FOR F	ED	WA	DL	24,033.00		Accrue interest on deferral balance authorized for recovery
30	001	557280 - DEFERRED POWER SUPPLY EXPENSE	ED	WA	DL	0.00		WA ERM current month deferral
40	001	186280 - REGULATORY ASSET ERM DEFERRED CURF	ED	WA	DL		0.00	WA ERM current year deferral
60	001	186280 - REGULATORY ASSET ERM DEFERRED CURF	ED	WA	DL	1.00		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		24,034.00	Non-utility interest income
120	001	186010 - REGULATORY ASSET ERM 100% COMPANY	ED	WA	DL		3,943,727.00	Track 100% company band accumulation
130	001	186020 - REGULATORY ASSET ERM 100% CONTRA	ED	WA	DL	3,943,727.00		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		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
TOTALS:						6,716,566.00	6,716,566.00	

Explanation:

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

Prepared by Cheryl Kettner
 Date: 1/11/2010
 Reviewed by
 Date: 1/11/2010

Approved for Entry
 Corporate Accounting use Only
 Date

Detail Balances (WA CORP) - 001.186280.ED.WA.DL					
Balance Type		Actual		Currency Type	Entered
				Factor	Units
Period	Currency	PTD	PTD Converted	YTD	YTD Converted
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	
200910	USD	1,146,908.00		1,006,602.00	
200911	USD	977,154.00		29,448.00	
200912	USD	1.00		29,449.00	

ERM Deferral Balance (Current Year - 2009)

Account 186280.ED.WA

	Amount	Journal ID
Balance 11/30/09	\$29,448.00	
Deferral	0.00	481 - WA ERM
Interest	1.00	481 - WA ERM
Balance 12/31/09	\$29,449.00	
Year to date deferrals	\$0.00	
Year to date interest	29,449.00	
Balance in account	\$29,449.00	

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
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	
200910	USD	0.00		0.00	
200911	USD	0.00		0.00	
200912	USD	0.00		0.00	

ERM Deferral Balance (Prior year - 2008)

Account 186290.ED.WA

Balance 11/30/09

No current month entry

Balance 12/31/09

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

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
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	
200910	USD	2,140,341.00		11,383,456.65	
200911	USD	2,424,690.00		8,958,766.65	
200912	USD	2,724,772.00		6,233,994.65	

Journal Details Summary Balances

Recoverable Deferral Balance

Account 182350.ED.WA

Balance 11/30/09
 Amortization
 Interest
 Balance 12/31/09

Amount	Journal ID
\$8,958,766.65	
-2,748,805.00	481 - WA ERM
24,033.00	481 - WA ERM
<u>\$6,233,994.65</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
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	
200910	USD	0.00		4,000,000.00	
200911	USD	3,093,910.00		906,090.00	
200912	USD	3,943,727.00		3,037,637.00	

ERM \$4M Deadband
Account 186010.ED.WA
 Balance 11/30/09
 Current month entry
 Balance 12/31/09

Amount	Journal ID
\$906,090.00	
-3,943,727.00	481 - WA ERM
<u>-3,037,637.00</u>	

	Total	Absorbed	Deferred
First \$4,000,000 at 100%	-\$3,037,637.00	-\$3,037,637.00	\$0.00
\$4,000,000 to \$10,000,000 at 50%	0.00	0.00	0.00
Over \$10,000,000 at 10%	0.00	0.00	0.00
Total	<u>-3,037,637.00</u>	<u>-3,037,637.00</u>	<u>\$0.00</u>

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
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	
200910	USD	0.00		4,000,000.00	
200911	USD	3,093,910.00		906,090.00	
200912	USD	3,943,727.00		3,037,637.00	

ERM \$4M Deadband Contra Account

Account 186020.ED.WA

Balance 11/30/09
 Current month entry
 Balance 12/31/09

<u>Amount</u>	<u>Journal ID</u>
-\$906,090.00	
3,943,727.00	481 - WA ERM
<u>\$3,037,637.00</u>	

Detail Balances (AWA CORP) - 001.186030.ED.WA.DL		Balance Type	Actual	Currency Type	Entered
Period	Currency	PTD	PTD Converted	Factor	Units
					YTD
					YTD Converted
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
200910	USD	1,151,996.00			978,756.00
200911	USD	978,756.00			0.00
200912	USD	0.00			0.00

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

Balance 11/30/09
 Current month entry
 Balance 12/31/09

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

	Total	Absorbed	Deferred
First \$4,000,000 at 100%	-\$3,037,637.00	-\$3,037,637.00	\$0.00
\$4,000,000 to \$10,000,000 at 50%	0.00	0.00	0.00
Over \$10,000,000 at 10%	0.00	0.00	0.00
Total	-\$3,037,637.00	-\$3,037,637.00	\$0.00

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
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	
200910	USD	1,151,996.00		978,756.00	
200911	USD	978,756.00		0.00	
200912	USD	0.00		0.00	

ERM 50%-50% Sharing Contra Account

Account 186035.ED.WA

Balance 11/30/09
 No current month entry
 Balance 12/31/09

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

Detail Balances (AWA CORP) - 001.186040.ED.WA.DL					
Balance Type		Actual		Currency Type	Entered
				Factor	Units
Period	Currency	PTD	PTD Converted	YTD	YTD Converted
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	
200910	USD	0.00		0.00	
200911	USD	0.00		0.00	
200912	USD	0.00		0.00	

ERM 90%-10% Sharing Band

Account 186040.ED.WA

Balance 11/30/09
 No current month entry
 Balance 12/31/09

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

	Total	Absorbed	Deferred
First \$4,000,000 at 100%	-\$3,037,637.00	-\$3,037,637.00	\$0.00
\$4,000,000 to \$10,000,000 at 50%	0.00	0.00	0.00
Over \$10,000,000 at 10%	0.00	0.00	0.00
Total	<u><u>-\$3,037,637.00</u></u>	<u><u>-\$3,037,637.00</u></u>	<u><u>\$0.00</u></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
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	
200910	USD	0.00		0.00	
200911	USD	0.00		0.00	
200912	USD	0.00		0.00	

Journal Details Summary Balances

ERM 90%-10% Sharing Contra Account
Account 186045.ED.WA
 Balance 11/30/09
 No current month entry
 Balance 12/31/09

<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
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	
200910	USD	1,150,537.15		4,336,519.65	
200911	USD	1,190,645.40		3,145,874.25	
200912	USD	953,669.85		2,192,204.40	

Journal Details Summary Balances

DFIT Associated with ERM Deferrals
Account 283280.ED.WA

Account 186280.ED.WA balance	\$29,449.00
Account 186290.ED.WA balance	0.00
Account 182350.ED.WA balance	6,233,994.65
Total	\$6,263,443.65
Federal income tax rate	-35%
Deferred FIT related to deferrals	-\$2,192,205
Rounding	1
Balance in account	-\$2,192,204

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:		0.00503417	Before Tax
		0.35	Tax rate			0.0032722	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		Deferral	0	Operating	0
January	Interest	0	0	Interest	0	Nonoperating	0
01-31-2009	Balance before interest	0			0	Total	0
				February	DFIT Expense		ADFIT
February	ERM Deferral	0		Deferral	0	Operating	0
February	Interest	0	0	Interest	0	Nonoperating	0
02-28-2009	Balance before interest	0			0	Total	0
				March	DFIT Expense		ADFIT
March	ERM Deferral	0		Deferral	0	Operating	0
March	Interest	0	0	Interest	0	Nonoperating	0
03-31-2009	Balance before interest	0			0	Total	0
				April	DFIT Expense		ADFIT
April	ERM Deferral	0		Deferral	0	Operating	0
April	Interest	0	0	Interest	0	Nonoperating	0
04-30-2009	Balance before interest	0			0	Total	0
				May	DFIT Expense		ADFIT
May	ERM Deferral			Deferral	0	Operating	0
May	Interest		0	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	DFIT Expense		ADFIT
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)
				August	DFIT Expense		ADFIT
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
				September	DFIT Expense		ADFIT
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
				October	DFIT Expense		ADFIT
October	ERM Deferral	(1,151,996)		Deferral	(403,199)	Operating	403,199
October	Interest		5,088	Interest	1,781	Nonoperating	(1,781)
10-31-2009	Balance before interest	978,917			(401,418)	Total	401,418
				November	DFIT Expense		ADFIT
November	ERM Deferral	(978,756)		Deferral	(342,565)	Operating	342,565
November	Interest		1,602	Interest	561	Nonoperating	(561)
11-30-2009	Balance before interest	161			(342,004)	Total	342,004
				December	DFIT Expense		ADFIT
December	ERM Deferral	0		Deferral	0	Operating	0
December	Interest		1	Interest	0	Nonoperating	0
12-31-2009	Balance before interest	161			0	Total	0
				GL Balance	Activity	GL Balance	
	Net ERM Balance	29,449		11-30-09	Dec-09	12-31-09	
				29,448	1	29,449	
	ADFIT Balance	(10,307)					

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
				<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
09-30-2009	Balance before interest	0		Interest	0	Nonoperating	0
					0	Total	0
				<u>October</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
October	Interest		0	Deferral	0	Operating	0
10-31-2009	Balance before interest	0		Interest	0	Nonoperating	0
					0	Total	0
				<u>November</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
November	Interest		0	Deferral	0	Operating	0
11-30-2009	Balance before interest	0		Interest	0	Nonoperating	0
					0	Total	0
				<u>December</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
December	Interest		0	Deferral	0	Operating	0
12-31-2009	Balance before interest	0		Interest	0	Nonoperating	0
					0	Total	0
	Net ERM Balance	0		GL Balance	Activity	GL Balance	
				11-30-09	Dec-09	12-31-09	
	ADFIT Balance	0		0	0	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% The monthly rate is:			Actual cost of debt at 6/30/09 is 6.041% The monthly rate is:			
		0.00546	Before Tax			0.00503417 Before Tax
		0.0035463	After Tax			0.0032722 After Tax
		0.35	Tax rate			0.35 Tax rate
Account 182350		2009 Interest				
				<u>January</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
12-31-2008	GL Balance including interest	29,728,184		Amortization	(1,285,267)	Operating 1,285,267
January	Surcharge Amortization	(3,672,191)		Interest	34,620	Nonoperating (34,620)
January	Interest		98,914		(1,250,647)	Total 1,250,647
01-31-2009	Balance before interest	26,055,993				
				<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>October</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
October	Surcharge Amortization	(2,180,480)		Amortization	(763,168)	Operating 763,168
October	Interest		40,139	Interest	14,049	Nonoperating (14,049)
10-31-2009	Balance before interest	11,176,318			(749,119)	Total 749,119
				<u>November</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
November	Surcharge Amortization	(2,457,241)		Amortization	(860,034)	Operating 860,034
November	Interest		32,551	Interest	11,393	Nonoperating (11,393)
11-30-2009	Balance before interest	8,719,077			(848,641)	Total 848,641
				<u>December</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
December	Surcharge Amortization	(2,748,805)		Amortization	(962,082)	Operating 962,082
December	Interest		24,033	Interest	8,412	Nonoperating (8,412)
12-31-2009	Balance before interest	5,970,272			(953,670)	Total 953,670
				<u>GL Balance</u>	<u>Activity</u>	<u>GL Balance</u>
				<u>11-30-2009</u>	<u>Dec-09</u>	<u>12-31-2009</u>
	Net ERM Balance	6,233,995		8,958,767	(2,724,772)	6,233,995
	ADFIT Balance	(2,181,898)				

			Interest		
	182350	186280	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					
08-31-2009	55,824	9,174	0	(64,998)	
Total					
09-30-2009	47,703	8,086	0	(55,789)	
Total					
10-31-2009	40,139	5,088	0	(45,227)	
Total					
11-30-2009	32,551	1,602	0	(34,153)	
Total					
12-31-2009	24,033	1	0	(24,034)	
Total					

		YTD WA ERM Company Bands 186010	YTD WA ERM Contra Account 186020	GL Impact	YTD WA ERM Company Bands 186030	YTD WA ERM Contra Account 186035	GL Impact	YTD WA ERM Company Bands 186040	YTD WA ERM Contra Account 186045	
Jan-09	Reverse 2008	(\$4,000,000)	\$4,000,000		(\$3,000,000)	\$3,000,000		(\$449,843)	\$449,843	
2009 Requirement										
Band 1 \$4,000,000										
Jan-09	Activity	(\$1,694,625)	\$1,694,625							
01-31-2009	Balance	(\$1,694,625)	\$1,694,625	\$0						
Feb-09	Activity	\$173,136	(\$173,136)							
02-28-2009	Balance	(\$1,521,489)	\$1,521,489	\$0						
Mar-09	Activity	(\$1,154,359)	\$1,154,359							
03-31-2009	Balance	(\$2,675,848)	\$2,675,848	\$0						
Apr-09	Activity	\$1,490,918	(\$1,490,918)							
04-30-2009	Balance	(\$1,184,930)	\$1,184,930	\$0						
May-09	Activity	\$2,532,855	(\$2,532,855)							
05-31-2009	Balance	\$1,347,925	(\$1,347,925)	\$0						
Jun-09	Activity	\$2,652,075	(\$2,652,075)							
06-30-2009	Balance	\$4,000,000	(\$4,000,000)	\$0						
Jul-09	Activity	\$0	\$0							
07-31-2009	Balance	\$4,000,000	(\$4,000,000)	\$0						
Aug-09	Activity	\$0	\$0							
08-31-2009	Balance	\$4,000,000	(\$4,000,000)	\$0						
Sep-09	Activity	\$0	\$0							
09-30-2009	Balance	\$4,000,000	(\$4,000,000)	\$0						
Oct-09	Activity	\$0	\$0							
10-31-2009	Balance	\$4,000,000	(\$4,000,000)	\$0						
Nov-09	Activity	(\$3,093,910)	\$3,093,910							
11-30-2009	Balance	\$906,090	(\$906,090)	\$0						
Dec-09	Activity	(\$3,943,727)	\$3,943,727							
12-31-2009	Balance	(\$3,037,637)	\$3,037,637	\$0						
Total company bands YTD										\$3,037,637
2009 90/10 Sharing > \$10M										
Band 3										
2009 50/50 Sharing \$4M - \$10M (Surcharge)										
2009 25/75 Sharing \$4M - \$10M (Rebate)										
Band 2 range \$4,000,001 - \$10,000,000										

AVISTA CORPORATION
 DECEMBER 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 (l)
1 (0-600 kWh)	47.260%	109,701,492	0.00%	100.00%	0.405¢	0.446¢	\$0	\$489,269	\$489,269	\$489,269
1 (601-1300 kWh)	31.249%	72,536,223	0.00%	100.00%	0.607¢	0.668¢	0	484,542	484,542	484,542
1 (over 1300 kWh)	21.491%	49,885,628	0.00%	100.00%	0.853¢	0.938¢	0	467,927	467,927	467,927
Total Sch 1	100.000%	232,123,343					0	1,441,738	1,441,738	1,441,738
11		31,839,044	0.00%	100.00%	0.788¢	0.867¢	0	276,045	276,045	276,045
12		4,283,640	0.00%	100.00%	0.788¢	0.867¢	0	37,139	37,139	37,139
21		124,475,816	0.00%	100.00%	0.549¢	0.604¢	0	751,834	751,834	751,834
22		3,383,187	0.00%	100.00%	0.549¢	0.604¢	0	20,434	20,434	20,434
25		71,432,353	0.00%	100.00%	0.352¢	0.387¢	0	276,443	276,443	276,443
30		4,320	0.00%	100.00%	0.485¢	0.534¢	0	23	23	23
31		4,861,970	0.00%	100.00%	0.485¢	0.534¢	0	25,963	25,963	25,963
32		355,604	0.00%	100.00%	0.485¢	0.534¢	0	1,899	1,899	1,899
41-46		\$366,872	0.00%	100.00%	9.78%	9.02%	0	29,128	29,128	29,128
47		\$104,741	0.00%	100.00%	9.78%	9.02%	0	8,316	8,316	8,316
48		\$67,766	0.00%	100.00%	9.78%	9.02%	0	5,380	5,380	5,380
Schedule Totals		472,759,277					\$0	\$2,874,342	\$2,874,342	\$2,874,342

kWh not subject to surcharge		0			Conversion factor	0.956325
Sch 28		2,198,763			Amortization	\$2,488,805
Sch 41-48		474,958,040			FIT rate	-35%
Total kWh					DFIT expense	-\$962,082

Electric Revenue Report by Revenue Class
Current Month and Year-to-Date
for Accounting Period : 200912 , State Code : WA

Accounting Period	200912	State Code	WA
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Rate Schedule Num	Meters	Usage	Revenue Amt	YTD Avg Meters	Ytd Usage	Ytd Revenue Amt
001	200,902	232,123,343	18,317,081	200,134	2,451,686,995	194,604,734
011	19,229	31,839,044	3,570,411	19,191	370,142,442	41,197,508
012	8,043	4,283,640	499,768	7,951	45,792,571	5,414,312
021	3,271	124,475,816	10,511,185	3,272	1,519,262,238	127,379,207
022	81	3,383,187	271,857	79	37,666,990	3,063,167
025	22	71,432,353	3,983,219	22	879,232,638	48,629,615
028	1	0	17,950	0	68,000	219,109
030	34	4,320	492	34	23,689,140	1,544,497
031	1,112	4,861,970	289,716	1,108	100,079,451	7,420,963
032	1,224	355,604	33,781	1,219	12,229,982	997,995
	11	8,720	1,839	11	104,640	21,866
042	278	1,123,033	338,413	275	13,476,238	4,053,156
044	13	22,332	2,646	13	256,072	29,598
044A	0	0	336	0	0	1,613
045	3	86,565	5,931	3	1,048,309	71,550
046	19	190,743	17,707	19	2,288,809	210,603
047	0	483,485	104,741	0	5,883,746	1,245,696
048	0	283,885	67,766	0	3,467,821	824,663
058	0	0	1,345,283	0	0	15,535,162
058A	0	0	9,379	0	0	95,514
063	0	0	0	0	0	0
090	0	0	4	0	0	48
095	0	0	14,670	0	0	176,498
099	0	0	51,386	0	0	766,414
Sum	234,243	474,958,040	39,436,802	233,332	5,466,376,082	453,312,461

AVISTA UTILITIES
Washington Electric Jurisdiction
Energy Recovery Mechanism Revenue Credit
Month of December 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	402,193,680	419,051,031	474,958,040	5,466,376,082
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)	(310,896,713)	(287,976,540)	(317,210,115)	(363,622,185)	(3,788,095,299)
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	317,210,115	363,622,185	454,248,589	3,831,461,035
Washington Retail kWhs	543,026,281	482,809,507	503,779,199	395,325,537	411,176,472	401,991,875	435,820,391	456,952,421	416,285,335	431,427,255	465,463,101	565,584,444	5,509,741,818
Test Year WA Retail Sales (1)	557,362,856	482,599,842	468,215,165	413,064,770	417,489,177	417,457,930	475,798,609	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)	(25,212,299)	(10,356,609)	33,176,529	(71,041,234)
WA Retail Revenue Credit (1)	(\$668,371)	\$9,775	\$1,657,995	(\$827,003)	(\$294,298)	(\$721,027)	(\$1,859,132)	(\$74,192)	(\$424,249)	(\$1,175,397)	(\$482,825)	\$1,546,783	(\$3,311,942)
Net Wind Revenue Credit	\$2,174	\$2,141	\$320	\$256	\$220	\$221	\$399	\$347	\$359	\$449	\$530	\$516	\$7,932
Total Revenue Credit	(\$666,197)	\$11,916	\$1,658,315	(\$826,747)	(\$294,078)	(\$720,806)	(\$1,858,733)	(\$73,845)	(\$423,890)	(\$1,174,948)	(\$482,295)	\$1,547,299	(\$3,304,010)

(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)

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	\$14,783.47	\$14,668.30	\$14,709.43	\$14,716.92	\$14,669.88	\$176,498.48
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	\$165,657.72
Incremental Schedule 95 Renewable Revenue	\$2,998.22	\$2,953.20	\$441.14	\$352.88	\$303.95	\$304.55	\$550.56	\$478.36	\$495.36	\$618.96	\$731.66	\$711.92	\$10,840.76
Deduct Admin Expense	\$824.51	\$812.13	\$121.31	\$97.04	\$83.59	\$83.75	\$151.40	\$131.55	\$136.22	\$170.21	\$201.21	\$195.78	\$3,008.71
0.005 x 55 = 0.275 per Revenue \$	\$2,173.71	\$2,141.07	\$319.83	\$255.84	\$220.36	\$220.80	\$399.16	\$346.81	\$359.14	\$448.75	\$530.45	\$516.14	\$7,932.05
Net Renewable Revenue Credit													