

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



March 12, 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, February 2010

Dear Mr. Danner:

Enclosed are an original and five copies of Avista Corporation's Power Cost Deferral Report for the month of February 2010. The report includes the monthly energy recovery mechanism (ERM) accounting journal together with backup workpapers. In February actual net power costs were lower than authorized costs by \$565,370. No deferral was recorded as the year-to-date difference is \$719,496 in the surcharge direction, which is within the \$4 M deadband. The deferral related to the Lancaster natural gas-fired generating plant amounted to \$1,225,526.

Actual power supply expense was lower than the authorized level due primarily to lower fuel prices. Lower fuel prices included lower natural gas costs and a fuel cost true-up at Colstrip. Hydro generation was 140 aMW below the authorized level. The average natural gas price for Coyote Springs 2 was \$5.15/dth compared to an authorized price of \$5.40/dth.

Colstrip and Kettle Falls generation was 16 aMW and 36 aMW above the authorized levels, respectively. Coyote Springs 2 generation was 57 aMW above the authorized level. The net transmission expense (transmission expense less transmission revenue) was below the authorized level. Washington retail sales were 47 aMW below the authorized level due to warm weather.

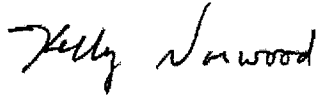
In February 2010 the ERM deferral balances decreased by \$2,724,990. The February deferral was zero, interest amounted to \$5,094, and amortization amounted to \$2,730,084. At the Open Meeting held on February 11, 2010, the Commission approved the elimination of the ERM surcharge, effective February 12, 2010. At the end of February the recoverable deferral balance account, to which surcharge amortization applies, had a balance of \$303,683. Additional amortization will be recorded in March related to usage billed in March that occurred prior to February 12<sup>th</sup>. When that amortization is recorded we expect the recoverable deferral balance to reach zero and become a credit balance. On February 11, 2010, the Commission also approved the Company's Lancaster Accounting Petition by Order 01 in Docket UE-100080 dated February 11, 2010. The derivation of the Lancaster deferral is shown on page 20 of the attached report.

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STATE OF WASHINGTON  
UTILITY AND TRANSPORTATION  
COMMISSION  
RECEIVED

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 20 of the January report shows the calculation of the weighted cost of debt at December 30, 2009, which will be used for the January-June 2010 period.

There were no forward long-term contracts of one year or longer entered into in the month of February 2010. 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 FEBRUARY 2010

**Avista Corporation Journal Entry**

Effective Date: 201002

Journal: 481-WA ERM

Team: Resource Accounting

Last Saved by: Cheryl Kettner



Last Saved: 03/04/2010 5:20 PM

Type: C

Submitted by: Cheryl Kettner

Category: DJ

Seq.	Co.#	FERC	Ser.	Jur.	S.I	Debit	Credit	Comment
10	001	557290 - WA ERM AMORTIZATION	ED	WA	DL			WA ERM surcharge amortization
20	001	182350 - REGULATORY ASSET ERM APPROVED FOR F	ED	WA	DL	2,730,084.00		WA ERM authorized for recovery
25	001	182350 - REGULATORY ASSET ERM APPROVED FOR F	ED	WA	DL	5,005.00		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	0.00		Accrue interest on current year deferral balance
70	001	186290 - REGULATORY ASSET ERM DEFERRED LAST	ED	WA	DL	89.00		Accrue interest on previous year deferral balance
80	001	419600 - INTEREST ON ENERGY DEFERRALS	ED	WA	DL		5,094.00	Non-utility interest income
180	001	186312 - REGULATORY ASSET - LANCASTER GENERA	ED	WA	DL	1,231,085.53		WA Lancaster Deferral
190	001	557312 - DEF POWER SUPPLY EXP - LANCASTER	ED	WA	DL		1,225,526.10	WA Lancaster Monthly Activity
200	001	419312 - INTEREST INCOME DEFERRED - LANCASTER	ED	WA	DL		5,559.43	WA Lancaster Interest
<b>TOTALS:</b>						<b>3,966,263.53</b>	<b>3,966,263.53</b>	

  
 Prepared by Cheryl Kettner  
 Date 3/4/10  
  
 Reviewed by Jami Judge  
 Date 3/4/10

**Explanation:**

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

Approved for Entry \_\_\_\_\_ Date \_\_\_\_\_  
 Corporate Accounting use Only

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

Balance Type: Actual      Currency Type: Entered  
 Factor: Units

Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200913	USD	0.00		29,449.00	
201001	USD	29,449.00		0.00	
201002	USD	0.00		0.00	

Journal Details      Summary Balances

ERM Deferral Balance (Current Year - 2010)

Account 186280.ED.WA

	Amount	Journal ID
Balance 1/31/10	\$0.00	
No current month entry	0.00	481 - WA ERM
Balance 2/28/10	\$0.00	
Year to date deferrals	\$0.00	
Year to date interest	0.00	
Balance in account	\$0.00	

	Total	Absorbed	Deferred
First \$4,000,000 at 100%	\$719,496.00	\$719,496.00	\$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	\$719,496.00	\$719,496.00	\$0.00

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
200913	USD	0.00		0.00	
201001	USD	29,538.00		29,538.00	
201002	USD	89.00		29,627.00	

Journal Details      Summary Balances

**ERM Deferral Balance (Prior year - 2009)**

**Account 186290.ED.WA**

Balance 1/31/10  
 Interest  
 Balance 2/28/10

<u>Amount</u>	<u>Journal ID</u>
\$29,538.00	
89.00	481 - WA ERM
<u>\$29,627.00</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
200913	USD	0.00		6,233,994.65	
201001	USD	3,205,233.00		3,028,761.65	
201002	USD	2,725,079.00		303,682.65	

Journal Details      Summary Balances

**Recoverable Deferral Balance**

**Account 182350.ED.WA**

Balance 1/31/10

Amortization

Interest

Balance 2/28/10

Amount

\$3,028,761.65

-2,730,084.00

5,005.00

\$303,682.65

Journal ID

481 - WA ERM

481 - WA ERM

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
200913	USD	0.00		2,192,204.40	
201001	USD	1,121,800.40		1,070,404.00	
201002	USD	953,746.50		116,657.50	

Journal Details      Summary Balances

**DFIT Associated with ERM Deferrals**  
**Account 283280.ED.WA**

Account 186280.ED.WA balance	\$0.00
Account 186290.ED.WA balance	29,627.00
Account 182350.ED.WA balance	303,682.65
Total	\$333,309.65
Federal income tax rate	-35%
Deferred FIT related to deferrals	-\$116,658
Rounding	0
Balance in account	-\$116,658



Detail Balances (AVA CORP) - 001.186312.ED.WA.DL

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

Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200913					
201001	USD	1,221,538.48		1,221,538.48	
201002	USD	1,231,085.53		2,452,624.01	

Journal Details      Summary Balances

**Lancaster Deferral Balance**  
**Account 186312.ED.WA**

Balance 1/31/10	\$1,221,538.48	
Deferral	1,225,526.10	481 - WA ERM
Interest	5,559.43	481 - WA ERM
Balance 2/28/10	<u>\$2,452,624.01</u>	
Year to date deferrals	\$2,445,214.39	
Year to date interest	7,409.62	
Balance in account	<u>\$2,452,624.01</u>	

Detail Balances (AVA CORP) - 001.283312.ED.WA.DL

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

Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200913					
201001	USD	427,538.47		427,538.47	
201002	USD	430,879.94		858,418.41	

Journal Details      Summary Balances

**DFIT Associated with Lancaster Deferrals**

**Account 283312.ED.WA**

Balance 1/31/10

-427,538.47

Deferral

-430,879.94

Balance 2/28/10

-858,418.41

<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 12/31/09 is 5.601%				Actual cost of debt at 6/30/09 is 6.041%			
The monthly rate is:				The monthly rate is:-			
0.00467 Before Tax				0.00503417 Before Tax			
0.0030339 After Tax				0.0032722 After Tax			
0.35 Tax rate				0.35 Tax rate			
<b>Account 186280</b>		<b>2010 Interest</b>					
12-31-2009	GL Balance including interest	\$29,449					
01-31-2010	GL Balance	(\$29,449)	Transfer to 186290				
01-31-2010	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
01-31-2010	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
02-28-2010	Balance before interest	0			0	Total	0
				<u>GL Balance</u>	<u>Activity</u>	<u>GL Balance</u>	
	<b>Net ERM Balance</b>	<b>0</b>		<b>01-31-10</b>	<b>Feb-10</b>	<b>02-28-10</b>	
				<b>0</b>	<b>0</b>	<b>0</b>	
	<b>ADFIT Balance</b>	<b>0</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 12/31/09 is 5.601%		0.00457 Before Tax		Actual cost of debt at 6/30/09 is 6.041%		0.00503417 Before Tax	
The monthly rate is:		0.0030339 After Tax		The monthly rate is:-		0.0032722 After Tax	
		0.35 Tax rate				0.35 Tax rate	
<b>Account 186290</b>		<b>2010 Interest</b>					
12-31-2009	GL Balance including interest	0					
01-31-2010	Transfer from 186280	\$29,449					
01-31-2010	GL Balance including interest	\$29,449		<u>January</u>		<u>DFIT Expense</u>	
January	Interest	89		Interest		31 Nonoperating (31)	
01-31-2010	Balance before interest	29,449				31 Total (31)	
				<u>February</u>		<u>DFIT Expense</u>	
February	Interest	89		Interest		31 Nonoperating (31)	
02-28-2010	Balance before interest	29,449				31 Total (31)	
<b>Net ERM Balance</b>		<b>29,627</b>		<b>GL Balance</b>		<b>GL Balance</b>	
				<b>01-31-10</b>		<b>Feb-10</b>	
<b>ADFIT Balance</b>		<b>(10,369)</b>		<b>29,538</b>		<b>89</b>	
						<b>02-28-10</b>	
						<b>29,627</b>	
<b>When WUTC deems 2009 deferred power costs prudent - reclass to 182350.</b>							

<b>Changes Semiannually on January 1 and July 1 Beginning 7/1/02</b>						
<b>The rate is based on Avista's actual cost of debt, updated semiannually.</b>						
<b>The actual cost of debt calculated at 6/30 will be used for the interest calculation from July through December.</b>						
<b>The actual cost of debt calculated at 12/31 will be used for the interest calculation from January through June.</b>						
<b>Interest will be accrued monthly and compounded semi-annually.</b>						
<b>Interest is calculated using the prior month ending balance plus 1/2 month of current month charges times the current after tax interest rate</b>						
Actual cost of debt at 12/31/09 is 5.601%				Actual cost of debt at 6/30/09 is 6.041%		
The monthly rate is:				The monthly rate is:-		
0.00467 Before Tax				0.00503417		Before Tax
0.0030339 After Tax				0.0032722		After Tax
0.35 Tax rate				0.35		Tax rate
<b>Account 182350</b>			<b>2010 Interest</b>			
12-31-2009	GL Balance including interest	6,233,995		January	DFIT Expense	ADFIT
January	Surcharge Amortization	(3,219,263)		Amortization	(1,126,742)	Operating 1,126,742
January	Interest		14,030	Interest	4,911	Nonoperating (4,911)
01-31-2010	Balance before interest	3,014,732			(1,121,831)	Total 1,121,831
				February	DFIT Expense	ADFIT
February	Surcharge Amortization	(2,730,084)		Amortization	(955,529)	Operating 955,529
February	Interest		5,005	Interest	1,752	Nonoperating (1,752)
02-28-2010	Balance before interest	284,648			(953,777)	Total 953,777
				GL Balance	Activity	GL Balance
				01-31-2010	Feb-10	02-28-2010
	Net ERM Balance	303,683		3,028,762	(2,725,079)	303,683
	ADFIT Balance	(106,289)				

		<u>Interest</u>	
	<u>182350</u>	<u>186280</u>	<u>419600</u>
01-31-2010	14,030	0	(14,119)
Total			
02-28-2010	5,005	0	(5,094)
Total			

AVISTA CORPORATION  
 FEBRUARY 2010 WASHINGTON ELECTRIC SURCHARGE REVENUE & DEFERRAL AMORTIZATION

Schedule	Sch 1 Block Percent (b)	kWh or \$ (c)	Proration Percentages		Surcharge Rates		Rate		Current Month Surcharge Revenue	
			Before 12-Feb-10 (d)	On/After 12-Feb-10 (e)	Before 12-Feb-10 (f)	On/After 12-Feb-10 (g)	Before 12-Feb-10 (h)	On/After 12-Feb-10 (i)	Total (j)	(h)+(i)
			(d)	(e)	(f)	(g)	(h)	(i)	(j)	(h)+(i)
1 (0-600 kWh)	46.587%	109,699,614	98.03%	1.97%	0.446¢	0.000¢	\$479,622	\$0	\$479,622	
1 (601-1300 kWh)	31.197%	73,460,383	98.03%	1.97%	0.665¢	0.000¢	481,048	0	481,048	
1 (over 1300 kWh)	22.216%	52,312,589	98.03%	1.97%	0.938¢	0.000¢	481,025	0	481,025	
Total Sch 1	100.000%	235,472,586					1,441,695	0	1,441,695	
11		31,981,045	97.23%	2.77%	0.867¢	0.000¢	269,595	0	269,595	
12		4,712,136	98.19%	1.81%	0.867¢	0.000¢	40,115	0	40,115	
21		120,614,388	96.83%	3.17%	0.604¢	0.000¢	705,417	0	705,417	
22		3,589,194	99.05%	0.95%	0.604¢	0.000¢	21,473	0	21,473	
25		81,927,243	100.00%	0.00%	0.387¢	0.000¢	317,058	0	317,058	
30		3,160	95.92%	4.08%	0.534¢	0.000¢	16	0	16	
31		3,177,840	97.48%	2.52%	0.534¢	0.000¢	16,542	0	16,542	
32		420,876	97.56%	2.44%	0.534¢	0.000¢	2,193	0	2,193	
41-46		\$376,979	98.27%	1.73%	8.75%	0.00%	28,377	0	28,377	
47		\$108,283	89.34%	10.66%	8.75%	0.00%	7,410	0	7,410	
48		\$69,578	91.47%	8.53%	8.75%	0.00%	4,875	0	4,875	
Schedule Totals		481,898,468					\$2,854,766	\$0	\$2,854,766	

kWh not subject to surcharge	0	Conversion factor	0.9566325
Sch 28	2,202,374	Amortization	\$2,300.08
Sch 41-48	484,100,842	FIT rate	-35%
Total kWh		DFIT expense	-\$955,529

**Electric Revenue Report by Revenue Class**  
**Current Month and Year-to-Date**  
**for Accounting Period : 201002 , State Code : WA**

Accounting Period	201002	State Code	WA
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Rate Schedule Num	Meters	Usage	Revenue Amt	YTD Avg Meters	Ytd Usage	Ytd Revenue Amt
001	200,739	235,472,586	19,072,580	200,808	514,439,387	41,513,276
011	19,367	31,981,045	3,659,893	19,327	67,640,837	7,653,734
012	8,087	4,712,136	558,344	8,078	9,943,920	1,160,164
021	3,241	120,614,388	10,439,015	3,254	247,565,711	21,190,744
022	81	3,589,194	292,253	81	7,439,803	601,070
025	22	81,927,243	4,657,334	22	166,265,536	9,314,438
028	1	0	18,600	1	276,000	56,370
030	33	3,160	438	34	6,540	879
031	1,107	3,177,840	259,255	1,108	6,865,772	549,883
032	1,220	420,876	39,608	1,223	839,464	78,132
	11	8,720	1,889	11	17,440	3,728
042	279	1,123,393	347,877	279	2,221,426	649,703
044	13	22,332	2,720	13	44,664	5,366
044A	0	0	336	0	0	672
045	3	86,565	5,941	3	173,130	11,970
046	19	191,267	18,216	19	382,067	35,949
047	0	486,601	108,283	0	965,827	213,230
048	0	283,496	69,578	0	567,195	137,785
058	0	0	1,383,039	0	0	2,901,467
058A	0	0	-9,378	0	0	-20,335
063	0	0	0	0	0	0
090	0	0	4	0	0	8
095	0	0	14,680	0	0	29,348
099	0	0	58,213	0	0	113,122
<b>Sum</b>	<b>234,223</b>	<b>484,100,842</b>	<b>40,998,718</b>	<b>234,258</b>	<b>1,025,654,719</b>	<b>86,200,701</b>



AVISTA UTILITIES  
 RATE CHANGE PRORATION FOR FEBRUARY  
 PROCESSING DATE RANGE: 2010-01-29 THRU 2010-02-26  
 RATE CHANGE EFFECTIVE DATE 2010-02-12

03/01/10  
 DWPAORR

REVENUE MONTH FEBRUARY

STATE	RATE SCHEDULE NUM	PREVIOUS RATE USAGE	CURRENT RATE USAGE	USAGE BILLED	TOTAL
WASHINGTON	TOTAL SCHEDULE 001	231,684,788	4,655,208	236,339,996	1.97% ✓
	TOTAL SCHEDULE 011	31,319,762	890,662	32,210,424	2.77% ✓
	TOTAL SCHEDULE 012	4,677,032	86,149	4,763,181	1.81% ✓
	TOTAL SCHEDULE 021	116,847,342	3,822,482	120,669,824	3.17% ✓
	TOTAL SCHEDULE 022	3,569,151	34,123	3,603,274	0.95% ✓
	TOTAL SCHEDULE 025	26,282,501	129	26,282,501	✓
	TOTAL SCHEDULE 030	3,031	129	3,160	4.08% ✓
	TOTAL SCHEDULE 031	3,105,272	80,427	3,185,699	2.52% ✓
	TOTAL SCHEDULE 032	410,801	10,265	421,066	2.44% ✓
	TOTAL SCHEDULE 063		10,996	10,996	
	STATE TOTAL	417,899,680	9,590,441	427,490,121	
	MONTH USAGE TOTALS	417,899,680	9,590,441	427,490,121	





Avista  
 System Power Supply Expenses  
 WASHINGTON DEFERRED POWER COST CALCULATION

Line No.	744	744	743	720	744	744	744	720	744	744	720	744	744	721	744
	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10			
<b>555 PURCHASED POWER</b>															
1	15,290,049	10,329,467	6	6										6	
2	126,518	147,131													
3	1,072,817	1,072,817													
4	495,792	495,799													
5	412,573	391,128													
6	4,787	4,363													
7	<b>3,336,629</b>	<b>3,014,892</b>													
8	Deer Lake-IP&L	1,683													
9	Small Power	98,742													
10	Silmonson Lumber	174,842													
11	Spokane-Upriver	147,266													
12	Douglas Exchange Capacity	73,237													
13	Seattle Exchange Capacity	146,160													
14	Black Crk Hydro	0													
15	Morgan St #17189	576,600	520,900												
16	Morgan St #17693	572,880	517,440												
17	Morgan St #19537	565,440	510,720												
18	BP Energy #102182	641,700	579,600												
19	Iberdrola Wind Power	171,993	99,168												
20	Spinning Reserve	0	0												
21	Clearwater (PFI)	1,999,713	2,090,908												
22	WPM Ancillary Services	1,607,483	1,501,556												
23	Non-Mon. Accruals	59,647	51,550												
24	Total Account 555	(53,210)	(174)												
	<b>27,578,538</b>	<b>21,956,855</b>	<b>6</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>0</b>

(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.

25	17,444,834	12,850,694													
26	472,019	565,095													
27	5,423,087	4,651,920													
28	1,999,713	2,090,908													
29	113,078	82,784													
30	1,907,493	1,501,556													
31	69,647	51,550													
32	(63,210)	(174)													
33	511,897	462,542													
34	<b>27,578,538</b>	<b>21,956,855</b>	<b>6</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>0</b>

<b>447 SALES FOR RESALE</b>															
25	16,190,817	15,281,527													
26	145,955	146,345													
27	186,011	167,422													
28	9,862	5,863													
29	37,655	32,852													
30	312,420	312,420													
31	99,700	93,600													
32	2,958,559	2,621,601													
33	2,024,100	1,725,703													
34	<b>21,945,079</b>	<b>20,327,333</b>													

<b>447 SALES FOR RESALE</b>															
447000	(13,569,301)	(13,371,604)													
447100	(57,542)	-													
447200	(26,064)	2,184													
447700	(6,268,072)	(6,232,210)													
447720	(2,024,100)	(1,725,703)													
	<b>(21,945,079)</b>	<b>(20,327,333)</b>	<b>6</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>0</b>

Avisit JS  
 System Power Supply Expenses  
 WASHINGTON DEFERRED POWER COST CALCULATION

Line No.	744	744	743	720	744	744	744	720	744	744	720	744	744	721	744	
	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10				
<b>501 FUEL-DOLLARS</b>																
35																
36																
37																
38																
39																
40																
41																
42																
43																
<b>501 FUEL-COST PER TON</b>																
44																
45																
<b>547 FUEL</b>																
46																
47																
48																
49																
50																
51																
52																
<b>53 TOTAL NET EXPENSE</b>																
<b>455 TRANSMISSION REV</b>																
56																
57																
<b>565 TRANSMISSION EXP</b>																
58																
59																
60																
61																
<b>57170 ED AN Broker Fees</b>																
<b>RESOURCE OPTIMIZATION</b>																
63																
64																
65																
66																
67																
<b>40 aMW at \$1</b>																
69																
70																
71																
72																
<b>Adjusted Actual Net Expense</b>																

**AVISTA UTILITIES**  
**Washington Electric Jurisdiction**  
**Energy Recovery Mechanism Revenue Credit**  
**Month of February 2010**

Description	January	February	March	April	May	June	July	August	September	October	November	December	YTD
Total WA kWhs per Rev Run	541,553,877	484,100,842											1,025,654,719
Deduct Prior Month Unbilled kWhs	(454,248,589)	(398,369,476)	(374,215,188)										(1,226,833,253)
Add Current Month Unbilled kWhs	398,369,476	374,215,188											772,584,664
Washington Retail kWhs	485,674,764	459,946,554	(374,215,188)										571,406,130
Test Year WA Retail Sales (1)	550,293,000	491,541,000	459,797,000	430,516,000	428,495,000	398,827,000	466,646,000	482,040,000	409,779,000	450,541,000	474,229,000	548,349,000	5,591,053,000
Difference from Test Year	(64,618,236)	(31,594,446)											(96,212,882)
WA Retail Revenue Credit (1)	(\$2,996,994)	(\$1,465,350)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$4,462,344)
Net Wind Revenue Credit	\$558	\$583	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,141
Total Revenue Credit	(\$2,996,436)	(\$1,464,767)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$4,461,203)

(1) from Supplemental Compliance \*ERM Authorized Revenue, Expense and Retail Sales\* exhibit in Docket No. UE-090134.

Current Period Schedule 95 Revenue	\$14,667.50	\$14,680.00											\$29,347.50
Schedule 95 Revenue in Base Rates	\$ 13,898.11	\$ 13,875.99	\$ 14,031.31	\$ 14,306.55	\$ 14,359.03	\$ 14,419.86	\$ 14,802.82	\$ 14,743.27	\$ 14,790.70	\$ 14,090.47	\$ 13,985.26	\$ 13,957.96	\$171,255.13
Incremental Schedule 95 Renewable Revenue	\$769.39	\$804.01											\$1,573.40
Deduct Admin Expense	\$211.58	\$221.10	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$432.69
0.005 x 55 = 0.275 per Revenue \$													
Net Renewable Revenue Credit	\$557.81	\$582.91	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,140.72

**System Power Supply Expenses  
WASHINGTON LANCASTER POWER COST DEFERRALS**

Line No.	Acct	2010	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
		TOTAL	201001	201002	201003	201004	201005	201006	201007	201008	201009	201010	201011	201012
1	Power Purchase Agreement													
2	Capacity	\$ 2,569,772.68	\$ 1,282,486.41	\$ 1,277,284.27										
3	Fixed O&M	\$ 921,478.28	\$ 457,978.13	\$ 463,497.15										
4	Variable O&M	\$ 528,176.93	\$ 219,443.06	\$ 308,733.87										
5	Heat Rate	\$ 71,194.44	\$ 29,302.06	\$ 41,892.38										
6	Startup	\$ 4,090,820.33	\$ 1,999,712.68	\$ 2,090,907.67										
	<b>Total</b>	<b>\$ 4,090,820.33</b>	<b>\$ 1,999,712.68</b>	<b>\$ 2,090,907.67</b>										
7	Fuel Supply													
	Forward & Bal Gas	\$ 10,566,573.90	\$ 4,938,802.43	\$ 5,929,971.97										
8	Gas Transportation/Imbalance	\$ 943,885.58	\$ 480,482.17	\$ 463,223.41										
	<b>Total</b>	<b>\$ 943,885.58</b>	<b>\$ 480,482.17</b>	<b>\$ 463,223.41</b>										
9	Transmission Expense													
	Demand	\$ 757,400.00	\$ 375,250.00	\$ 382,150.00										
10	Reserves/EI/VI	\$ 195,842.43	\$ 113,078.41	\$ 82,784.02										
11	Reserves/EI/VI	\$ (23,879.46)	\$ (26,063.87)	\$ 2,184.41										
12	FTC	\$ 929,382.97	\$ 462,264.54	\$ 467,098.43										
13	<b>Total</b>	<b>\$ 757,400.00</b>	<b>\$ 375,250.00</b>	<b>\$ 382,150.00</b>										
	<b>Total</b>	<b>\$ 195,842.43</b>	<b>\$ 113,078.41</b>	<b>\$ 82,784.02</b>										
	<b>Total</b>	<b>\$ (23,879.46)</b>	<b>\$ (26,063.87)</b>	<b>\$ 2,184.41</b>										
	<b>Total</b>	<b>\$ 929,382.97</b>	<b>\$ 462,264.54</b>	<b>\$ 467,098.43</b>										
14	Transmission Purchases													
	Hourly	\$ 20,511.56	\$ 20,045.06	\$ 456.50										
15	Station Service													
	Hourly	\$ 16,550.75	\$ 16,550.75	\$ 16,550.75										
16	<b>TOTAL LANCASTER EXPENSE</b>	<b>\$ 16,550.75</b>	<b>\$ 16,550.75</b>	<b>\$ 16,550.75</b>										
<b>LANCASTER REVENUE</b>														
17	Power Value													
	Forward Power P&S	\$ 4,193,800.00	\$ 617,800.00	\$ 578,000.00										
18	Balancing Power	\$ (1,086,838.71)	\$ (1,055,020.30)	\$ (1,119,164.41)										
19	Balancing Power	\$ 9,389,687.89	\$ 9,051,155.31	\$ 6,348,522.58										
20	<b>Total</b>	<b>\$ 12,526,851.18</b>	<b>\$ 5,613,735.01</b>	<b>\$ 6,912,616.17</b>										
21	Redrafted PTP Transmission													
	(666)NUCUT	\$ 20,759.02	\$ 20,524.20	\$ 233.82										
22	Gas Transport Optimization													
	Purchase	\$ (6,701,869.84)	\$ (2,844,985.05)	\$ (6,756,864.79)										
23	Sale	\$ 6,919,767.28	\$ 3,021,468.02	\$ 3,888,299.24										
24	<b>Total</b>	<b>\$ 217,897.42</b>	<b>\$ 76,482.97</b>	<b>\$ 141,414.45</b>										
25	<b>TOTAL LANCASTER REVENUE</b>	<b>\$ 12,765,008.62</b>	<b>\$ 6,710,742.99</b>	<b>\$ 7,054,264.44</b>										
26	<b>NET LANCASTER EXP/REV</b>	<b>\$ (3,785,747.62)</b>	<b>\$ (1,868,364.69)</b>	<b>\$ (1,887,392.94)</b>										
27	MONTHLY ACTIVITY - WA	64.59%	\$ 1,213,688.29	\$ 1,225,526.10										
28	BALANCE BEFORE INTEREST		\$ 1,213,688.29	\$ 2,445,214.39										
29	INTEREST CALCULATION		\$ 1,850.19	\$ 5,559.49										
30	WA LANCASTER DEFERRAL-MONTHLY	Exp & Int	\$ 1,221,538.48	\$ 1,231,085.53										
31	CUMULATIVE ACCOUNT BALANCE	Balance 186312	\$ 1,221,538.48	\$ 2,452,624.01										