

Avista Corp.
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January 14, 2013

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 2012

Dear Mr. Danner:

Enclosed are an original and five copies of Avista Corporation's Power Cost Deferral Report for the month of December 2012. The report includes the monthly energy recovery mechanism (ERM) accounting journal together with backup workpapers. In December actual net power costs were less than authorized costs by \$1,792,484. The year-to-date difference is \$14,796,933 in the rebate direction. A deferral entry of \$1,420,599 was made in the rebate direction. This entry was after removing \$214,041 related to 2012 REC revenues, which were recorded in a separate deferral account per Order 14, Docket UE-120436. The year-to-date deferral balance, excluding interest, is \$8,624,603 in the rebate direction, which reflects 75% of the amount within the \$4 million to \$10 million sharing band, or \$4,500,000, and 90% of the amount in excess of \$10 million, or \$4,124,603.

Actual net power costs were lower than the authorized level due primarily to higher hydro generation and low natural gas and power prices. Hydro generation was 87 aMW above the authorized level. The average power purchase price was \$25.86/MWh compared to an authorized price of \$45.29/MWh. The average natural gas price was \$3.53/dth compared to an authorized price of \$4.79/dth.

Colstrip and Kettle Falls generation was 3 aMW and 15 aMW below the authorized levels, respectively. Gas-fired generation was 372 aMW below the authorized level. The net transmission expense (transmission expense less transmission revenue) was below the authorized level. Washington retail sales were 19 aMW below the authorized level.

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 13 of the report for July 2012 shows the calculation of the weighted cost of debt at June 30, 2012, which will be used for the July-December 2012 period.

Enclosed are two forward long-term power contracts that contain 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 each contract and the pages containing confidential information have been marked with the designation "confidential per WAC 480-07-160." The unredacted versions are being filed under seal. Six copies of the unredacted versions are being submitted in sealed envelopes, copied on yellow paper and identified as "Confidential Attachment A" and "Confidential Attachment B." Six copies of the redacted version are also being submitted.

If you have any questions, please contact Bill Johnson at (509) 495-4046 or Jeanne Pluth at (509) 495-2204.

Sincerely,



Kelly Norwood
Vice President State and Federal Regulation
JP
Enclosure
C: Mary Kimball, S. Bradley Van Cleve

AVISTA CORPORATION
STATE OF WASHINGTON
DOCKET NO. UE-011595
POWER COST DEFERRAL REPORT
MONTH OF DECEMBER 2012

Avista Corporation Journal Entry

Effective Date: 201212

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

Last Saved by: Gina Armstrong
 Submitted by: Gina Armstrong
 Approved by:

Last Saved: 01/08/2013 4:38 PM
 Approval Requested: 01/08/2013 4:38 PM

Seq	Co.	FERC	Ser.	Jur.	S.I.	Debit	Credit	Comment
10	001	431600 - INTEREST EXPENSE DEFERRALS	ED	WA	DL	40,802.00		Prior Year Interest Accrual
20	001	182350 - REGULATORY ASSET ERM APPROVED FOR RECOVERY	ED	WA	DL		40,802.00	Prior Year Interest Accrual
30	001	186280 - REGULATORY ASSET ERM DEFERRED CURRENT YEAR	ED	WA	DL		1,420,599.00	WA ERM Deferral
40	001	557280 - DEFERRED POWER SUPPLY EXPENSE	ED	WA	DL	1,420,599.00		WA ERM Deferral
50	001	431600 - INTEREST EXPENSE DEFERRALS	ED	WA	DL		18,957.00	WA ERM Interest Accrual - Reverse incorrect November
60	001	186280 - REGULATORY ASSET ERM DEFERRED CURRENT YEAR	ED	WA	DL	18,957.00		WA ERM Interest Accrual - Reverse incorrect November
70	001	431600 - INTEREST EXPENSE DEFERRALS	ED	WA	DL		20,319.00	WA ERM Interest Accrual - Correct November
80	001	186280 - REGULATORY ASSET ERM DEFERRED CURRENT YEAR	ED	WA	DL	20,319.00		WA ERM Interest Accrual - Correct November
90	001	431600 - INTEREST EXPENSE DEFERRALS	ED	WA	DL		24,550.00	WA ERM Interest Accrual - December
100	001	186280 - REGULATORY ASSET ERM DEFERRED CURRENT YEAR	ED	WA	DL	24,550.00		WA ERM Interest Accrual - December
Totals:						1,525,227.00	1,525,227.00	

Prepared by Gina Armstrong Date 01/8/13
 Reviewed by D.K. Milton Date 1/8/13
 Approved for Entry _____ Date _____
 Corporate Accounting use Only

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

Detail Balances (AVISTA CORP) - 001 186290.ED.WA.DL					
Balance Type		Actual		Currency Type Total	
Period	Currency	PTD	PTD Converted	YTD	YTD Converted
201201	USD	-12,987,218.00		-12,987,218.00	
201202	USD	-39,590.00		-13,026,808.00	
201203	USD	-39,590.00		-13,066,398.00	
201204	USD	-39,590.00		-13,105,988.00	
201205	USD	-39,590.00		-13,145,578.00	
201206	USD	13,145,578.00		0.00	
201207	USD	0.00		0.00	
201208	USD	0.00		0.00	
201209	USD	0.00		0.00	
201210	USD	0.00		0.00	
201211	USD	0.00		0.00	
201212	USD	0.00		0.00	

ERM Deferral Balance (Prior year - 2011)

<u>Account 186290.ED.WA</u>	<u>Amount</u>	<u>Journal ID</u>
Balance 11/30/12	\$0.00	
No current month entries	0.00	481 - WA ERM
Balance 12/31/12	\$0.00	

Detail Balances (AVISTA CORP) - 001 182350.ED.WA.DL							
Balance Type		Actual			Currency Type		Total
Period	Currency	PTD	PTD Converted	YTD	YTD Converted		
201201	USD	0.00		0.00			
201202	USD	0.00		0.00			
201203	USD	0.00		0.00			
201204	USD	0.00		0.00			
201205	USD	0.00		0.00			
201206	USD	-13,185,168.00		-13,185,168.00			
201207	USD	-40,802.00		-13,225,970.00			
201208	USD	-40,802.00		-13,266,772.00			
201209	USD	-40,802.00		-13,307,574.00			
201210	USD	-40,802.00		-13,348,376.00			
201211	USD	-40,802.00		-13,389,178.00			
201212	USD	-40,802.00		-13,429,980.00			

Recoverable Deferral Balance			
Account 182350.ED.WA			
		<u>Amount</u>	<u>Journal ID</u>
Balance 11/30/12		-\$13,389,178.00	
Interest		-40,802.00	481 - WA ERM
Balance 12/31/12		<u>-\$13,429,980.00</u>	

Detail Balances (AVISTA CORP) - 001.283280.ED.WA.DL						
Balance Type		Actual		Currency Type		Total
Period	Currency	PTD	PTD Converted	YTD	YTD Converted	
201201	USD	13,856.50		4,545,527.18		
201202	USD	13,856.50		4,559,383.68		
201203	USD	176,482.60		4,735,866.28		
201204	USD	250,741.05		4,986,607.33		
201205	USD	646,377.90		5,632,985.23		
201206	USD	195,527.85		5,828,513.08		
201207	USD	292,546.45		6,121,059.53		
201208	USD	875,553.70		6,996,613.23		
201209	USD	-104,517.10		6,892,096.13		
201210	USD	-128,075.05		6,764,021.08		
201211	USD	480,736.55		7,244,757.63		
201212	USD	520,559.55		7,765,317.18		

DFIT Associated with ERM Deferrals		
Account 283280.ED.WA		
Account 186280.ED.WA balance		-\$8,756,638.00
Account 186290.ED.WA balance		0.00
Account 182350.ED.WA balance		-13,429,980.00
Total		-\$22,186,618.00
Federal income tax rate		-35%
Deferred FIT related to deferrals		\$7,765,316
Rounding		1
Balance that should be in account		\$7,765,317

Changes Semiannually on January 1 and July 1							
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 12/31/11 is		5.645%		Actual cost of debt at 06/30/12 is		5.713%	
The monthly rate is:		0.00470	Before Tax	The monthly rate is:		0.00476	Before Tax
		0.0030577	After Tax			0.0030945	After Tax
		35.00%	Tax rate			35.00%	Tax rate
Account 186280							
				0			
				January			
January ERM Deferral		0		Deferral		0	Operating
January Interest			0	Interest		0	Nonoperating
01-31-2012 Balance before interest		0				0	Total
				February			
February ERM Deferral		0		Deferral		0	Operating
February Interest			0	Interest		0	Nonoperating
02-29-2012 Balance before interest		0				0	Total
				March			
March ERM Deferral		(463,937)		Deferral		(162,378)	Operating
March Interest			(709)	Interest		(248)	Nonoperating
03-31-2012 Balance before interest		(463,937)				(162,626)	Total
				April			
April ERM Deferral		(674,363)		Deferral		(236,027)	Operating
April Interest			(2,450)	Interest		(858)	Nonoperating
04-30-2012 Balance before interest		(1,138,300)				(236,885)	Total
				May			
May ERM Deferral		(1,800,970)		Deferral		(630,340)	Operating
May Interest			(6,234)	Interest		(2,182)	Nonoperating
05-31-2012 Balance before interest		(2,939,270)				(632,522)	Total
				June			
June ERM Deferral		(509,295)		Deferral		(178,253)	Operating
June Interest			(9,766)	Interest		(3,418)	Nonoperating
06-30-2012 Balance before interest		(3,448,565)				(181,671)	Total
				July			
July ERM Deferral		(783,102)		Deferral		(274,086)	Operating
July Interest			(11,943)	Interest		(4,180)	Nonoperating
07-31-2012 Balance before interest		(4,250,826)				(278,266)	Total
				August			
August ERM Deferral		(2,443,845)		Deferral		(855,346)	Operating
August Interest			(16,935)	Interest		(5,927)	Nonoperating
08-31-2012 Balance before interest		(6,694,671)				(861,273)	Total
				September			
September ERM Deferral		351,760		Deferral		123,116	Operating
September Interest			(20,172)	Interest		(7,060)	Nonoperating
09-30-2012 Balance before interest		(6,342,911)				116,056	Total
				October			
October ERM Deferral		433,522		Deferral		151,733	Operating
October Interest			(18,957)	Interest		(6,635)	Nonoperating
10-31-2012 Balance before interest		(5,909,389)				145,098	Total
				November			
November ERM Deferral		(1,313,774)		Deferral		(459,821)	Operating
November Interest			(20,319)	Interest		(7,112)	Nonoperating
11-30-2012 Balance before interest		(7,223,163)				(466,933)	Total
				December			
December ERM Deferral		(1,420,599)		Deferral		(497,210)	Operating
December Interest			(24,550)	Interest		(8,593)	Nonoperating
12-31-2012 Balance before interest		(8,643,762)				(505,803)	Total
GL Balance		(8,643,762)	(88,268)	ADFIT Balance			0
Update ERM balance to include Interest			(8,732,030)				3,056,211
							Check
							(3,056,211)

Changes Semiannually on January 1 and July 1						
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 12/31/11 is	5.645%		Actual cost of debt at 06/30/12 is	5.713%		
The monthly rate is:	0.00470	Before Tax	The monthly rate is:	0.00476	Before Tax	
	0.0030577	After Tax		0.0030945	After Tax	
	35.00%	Tax rate		35.00%	Tax rate	
Account 182350						
12-31-2011	GL Balance including interest	0				0
			January	DFIT Expense		ADFIT
January	Surcharge Amortization	0	Amortization	0	Operating	0
January	Interest	0	Interest	0	Nonoperating	0
01-31-2012	Balance before interest	0		0	Total	0
			February	DFIT Expense		ADFIT
February	Surcharge Amortization	0	Amortization	0	Operating	0
February	Interest	0	Interest	0	Nonoperating	0
02-28-2012	Balance before interest	0		0	Total	0
			March	DFIT Expense		ADFIT
March	Surcharge Amortization	0	Amortization	0	Operating	0
March	Interest	0	Interest	0	Nonoperating	0
03-31-2012	Balance before interest	0		0	Total	0
			April	DFIT Expense		ADFIT
April	Surcharge Amortization	0	Amortization	0	Operating	0
April	Interest	0	Interest	0	Nonoperating	0
04-30-2012	Balance before interest	0		0	Total	0
			May	DFIT Expense		ADFIT
May	Surcharge Amortization	0	Amortization	0	Operating	0
May	Interest	0	Interest	0	Nonoperating	0
05-31-2012	Balance before interest	0		0	Total	0
			June	DFIT Expense		ADFIT
	Transfer from 186290	(13,185,168)	Amortization	0	Operating	0
June	Surcharge Amortization	0	Interest	0	Nonoperating	0
June	Interest	0		0	Total	0
06-30-2012	Balance including interest	(13,185,168)		0		0
			July	DFIT Expense		ADFIT
	GL Balance including interest	(13,185,168)	Amortization	0	Operating	0
July	Surcharge Amortization	0	Interest	(14,281)	Nonoperating	14,281
July	Interest	(40,802)		(14,281)	Total	14,281
07-31-2012	Balance before interest	(13,185,168)				
			August	DFIT Expense		ADFIT
August	Surcharge Amortization	0	Amortization	0	Operating	0
August	Interest	(40,802)	Interest	(14,281)	Nonoperating	14,281
08-31-2012	Balance before interest	(13,185,168)		(14,281)	Total	14,281
			September	DFIT Expense		ADFIT
September	Surcharge Amortization	0	Amortization	0	Operating	0
September	Interest	(40,802)	Interest	(14,281)	Nonoperating	14,281
09-30-2012	Balance before interest	(13,185,168)		(14,281)	Total	14,281
			October	DFIT Expense		ADFIT
October	Surcharge Amortization	0	Amortization	0	Operating	0
October	Interest	(40,802)	Interest	(14,281)	Nonoperating	14,281
10-31-2012	Balance before interest	(13,185,168)		(14,281)	Total	14,281
			November	DFIT Expense		ADFIT
November	Surcharge Amortization	0	Amortization	0	Operating	0
November	Interest	(40,802)	Interest	(14,281)	Nonoperating	14,281
11-30-2012	Balance before interest	(13,185,168)		(14,281)	Total	14,281
			December	DFIT Expense		ADFIT
December	Surcharge Amortization	0	Amortization	0	Operating	0
December	Interest	(40,802)	Interest	(14,281)	Nonoperating	14,281
12-31-2012	Balance before interest	(13,185,168)		(14,281)	Total	14,281
	GL Balance	(13,185,168.00)	(204,010)	ADFIT Balance		0
	Update ERM balance to include Interest		(13,389,178.00)			4,686,212
					Check	(4,686,212)

Avista Corp. - Resource Accounting
WASHINGTON POWER COST DEFERRALS

Line No.	WASHINGTON ACTUALS	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
1	555 Purchased Power	\$23,141,987	\$20,794,370	\$19,562,184	\$15,582,228	\$14,344,417	\$14,388,492	\$20,047,557	\$21,177,850	\$18,906,988	\$21,436,597	\$24,319,447	\$26,814,280
2	447 Sale for Resale	(\$13,950,055)	(\$12,418,742)	(\$9,996,182)	(\$9,118,086)	(\$8,828,586)	(\$8,800,004)	(\$11,449,453)	(\$13,066,498)	(\$12,639,812)	(\$15,581,737)	(\$16,841,980)	(\$15,313,281)
3	501 Thermal Fuel	\$2,994,673	\$2,060,120	\$2,131,703	\$1,107,755	\$227,310	\$1,053,807	\$1,886,877	\$4,066,624	\$2,825,222	\$3,005,125	\$2,310,754	\$2,304,324
4	547 CT Fuel	\$8,638,904	\$7,667,226	\$4,484,187	\$2,102,862	\$1,198,996	\$1,199,228	\$3,643,106	\$6,804,943	\$8,513,800	\$9,607,532	\$6,641,432	\$3,552,584
5	456 Transmission Revenue	(\$990,722)	(\$725,693)	(\$765,880)	(\$895,158)	(\$1,463,279)	(\$1,464,906)	(\$1,383,720)	(\$1,254,831)	(\$999,158)	(\$1,049,828)	(\$796,622)	(\$780,900)
6	565 Transmission Expense	\$1,495,285	\$1,530,877	\$1,480,538	\$1,427,248	\$1,371,518	\$1,420,883	\$1,420,256	\$1,460,814	\$1,516,270	\$1,488,098	\$1,470,876	\$1,468,952
7	557 Broker Fees	\$77,415	\$62,390	\$58,865	\$75,121	\$61,843	\$65,621	\$82,534	\$77,307	\$88,750	\$79,496	\$98,716	\$91,023
8	Less Cleantwater directly assigned to ID	(\$1,684,910)	(\$1,538,596)	(\$1,141,844)	(\$1,659,201)	(\$1,652,935)	(\$1,440,266)	(\$1,454,087)	(\$1,482,371)	(\$1,464,087)	(\$1,520,956)	(\$1,500,226)	(\$1,559,026)
9	Palouse Wind Deferral - System									\$3,424	\$56,528	\$97,418	\$106,457
10	Adjusted Actual Net Expense	\$19,722,577	\$17,431,952	\$15,813,571	\$8,622,769	\$5,259,284	\$6,422,855	\$12,793,070	\$17,783,838	\$16,731,397	\$17,520,855	\$15,799,815	\$16,684,413
AUTHORIZED NET EXPENSE-SYSTEM													
11	555 Purchased Power	\$12,917,361	\$11,733,560	\$11,415,839	\$9,228,929	\$6,768,390	\$7,014,446	\$8,036,703	\$9,562,739	\$7,187,264	\$7,175,099	\$10,508,310	\$11,173,530
12	447 Sale for Resale	(\$4,971,201)	(\$4,445,361)	(\$3,677,772)	(\$3,285,131)	(\$3,661,500)	(\$2,904,168)	(\$4,522,777)	(\$2,695,392)	(\$4,625,192)	(\$5,333,974)	(\$6,423,358)	(\$4,412,315)
13	501 Thermal Fuel	\$3,077,916	\$2,852,038	\$2,928,523	\$2,181,146	\$1,469,354	\$1,158,870	\$2,765,418	\$3,115,273	\$3,016,531	\$3,166,434	\$3,086,764	\$3,109,968
14	547 CT Fuel	\$10,117,831	\$9,188,887	\$6,347,309	\$3,075,716	\$1,946,215	\$2,204,865	\$7,105,068	\$10,387,613	\$10,550,699	\$12,385,545	\$12,581,796	\$12,215,779
15	456 Transmission Revenue	(\$1,089,933)	(\$819,912)	(\$917,298)	(\$784,567)	(\$999,459)	(\$1,185,338)	(\$1,148,996)	(\$1,062,294)	(\$1,047,237)	(\$1,035,702)	(\$984,334)	(\$842,050)
16	565 Transmission Expense	\$1,526,636	\$1,474,958	\$1,529,717	\$1,425,005	\$1,430,460	\$1,438,762	\$1,477,824	\$1,441,409	\$1,454,077	\$1,433,340	\$1,473,058	\$1,535,929
17	557 Broker Fees	\$30,500	\$30,500	\$30,500	\$30,500	\$30,500	\$30,500	\$30,500	\$30,500	\$30,500	\$30,500	\$30,500	\$30,500
18	Authorized Net Expense	\$21,609,110	\$20,014,670	\$17,656,818	\$11,871,598	\$6,983,960	\$7,757,937	\$13,743,740	\$20,779,848	\$16,566,642	\$17,821,242	\$20,252,736	\$22,811,341
19	Actual - Authorized Net Expense	(\$1,886,533)	(\$2,582,718)	(\$1,843,247)	(\$3,248,829)	(\$1,724,676)	(\$1,335,082)	(\$950,670)	(\$2,996,010)	\$164,755	(\$300,387)	(\$4,452,921)	(\$6,126,928)
20	Resource Optimization	\$891,615	\$1,114,023	\$912,435	\$646,874	(\$352,587)	(\$794,487)	\$253,506	(\$12,760)	\$32,049	\$91,263	\$100,605	\$600,754
21	Adjusted Net Expense	(\$994,918)	(\$1,468,695)	(\$930,812)	(\$2,601,955)	(\$2,077,263)	(\$2,129,569)	(\$697,164)	(\$3,008,770)	\$196,804	(\$209,124)	(\$4,352,316)	(\$5,526,174)
22	Washington Allocation	65.16%	65.16%	65.16%	65.16%	65.16%	65.16%	65.16%	65.16%	65.16%	65.16%	65.16%	65.16%
23	Washington Share	(\$648,289)	(\$957,002)	(\$606,517)	(\$1,695,434)	(\$1,353,545)	(\$1,387,627)	(\$454,272)	(\$1,960,515)	\$128,237	(\$136,265)	(\$2,835,969)	(\$3,600,855)
24	WA Retail Revenue Adjustment (+) Surcharge (-) Rebate	(\$511,457)	(\$987,834)	(\$907,483)	\$796,283	(\$1,047,749)	\$708,567	(\$589,864)	(\$814,497)	\$262,607	\$617,956	\$1,376,220	\$1,808,371
25	Net Power Cost (+) Surcharge (-) Rebate	(\$1,159,746)	(\$1,944,836)	(\$1,514,000)	(\$899,151)	(\$2,401,294)	(\$679,060)	(\$1,044,136)	(\$2,775,012)	\$390,844	\$481,691	(\$1,459,749)	(\$1,792,484)
26	Cumulative Balance before Adj.	(\$1,159,746)	(\$3,104,582)	(\$4,618,582)	(\$5,517,733)	(\$7,919,027)	(\$8,598,087)	(\$9,642,223)	(\$12,417,235)	(\$12,026,391)	(\$11,544,700)	(\$13,004,449)	(\$14,796,933)
27	Adj. Cumulative balance for REC Deferral per UE-120436 and UG-120437 Order 14 (Page 32)	(\$1,159,746)	(\$3,104,582)	(\$4,618,582)	(\$5,517,733)	(\$7,919,027)	(\$8,598,087)	(\$9,642,223)	(\$12,417,235)	(\$12,026,391)	(\$11,544,700)	(\$13,004,449)	(\$14,582,892)
	Adjusted Cumulative Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	input 10,000,000 and up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	input 4,000,000 to \$10M	\$0	\$0	(\$618,582)	(\$1,517,733)	(\$3,919,027)	(\$4,598,087)	(\$5,642,223)	(\$6,000,000)	(\$6,000,000)	(\$6,000,000)	(\$6,000,000)	(\$6,000,000)
	input 0 to \$4M	(\$1,159,746)	(\$3,104,582)	(\$4,000,000)	(\$4,000,000)	(\$4,000,000)	(\$4,000,000)	(\$4,000,000)	(\$4,000,000)	(\$4,000,000)	(\$4,000,000)	(\$4,000,000)	(\$4,000,000)
	check # should be zero	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Deferral Amount, Cumulative (Customer)	\$0	\$0	(\$463,937)	(\$1,138,300)	(\$2,939,270)	(\$3,448,565)	(\$4,231,667)	(\$6,675,512)	(\$6,323,752)	(\$5,890,230)	(\$7,204,004)	(\$8,624,603)
	Deferral Amount, Monthly	\$0	\$0	(\$463,937)	(\$674,363)	(\$1,800,970)	(\$509,295)	(\$783,102)	(\$2,443,845)	\$351,760	\$433,522	(\$1,313,774)	(\$1,420,599)
	Acct 557280 Entry; (+) Rebate, (-) Surcharge	\$0	\$0	\$463,937	\$674,363	\$1,800,970	\$509,295	\$783,102	\$2,443,845	(\$351,760)	(\$433,522)	\$1,313,774	\$1,420,599
	Commodity Band Gross Margin Impact, Cumulative	(\$1,159,746)	(\$3,104,582)	(\$4,154,645)	(\$4,379,433)	(\$4,979,757)	(\$5,149,522)	(\$5,410,556)	(\$5,741,723)	(\$5,702,639)	(\$5,654,470)	(\$5,800,445)	(\$5,958,289)

Avista Corp. - Resource Accounting
WASHINGTON DEFERRED POWER COST CALCULATION - ACTUAL SYSTEM POWER SUPPLY EXPENSES

Line No.	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
555 PURCHASED POWER												
1 Short-Term Purchases	\$13,347,443	\$11,507,088	\$11,880,575	\$7,813,753	\$8,416,611	\$8,435,214	\$13,918,008	\$15,372,174	\$13,144,349	\$15,503,657	\$16,304,997	\$18,340,949
2 Chelan County PUD (Rocky Reach Slice)	\$890,965	\$890,965	\$890,965	\$890,965	\$890,965	\$890,965	\$1,006,364	\$1,006,364	\$1,006,364	\$1,006,364	\$1,006,364	\$1,006,364
3 Douglas County PUD (Wells Settlement)	\$30,466	\$30,516	\$108,577	\$177,412	\$175,626	\$187,495	\$187,381	\$69,819	\$35,199	\$35,199	\$59,573	\$108,614
4 Douglas County PUD (Wells)	\$150,203	\$150,203	\$150,203	\$150,203	\$150,203	\$150,203	\$150,203	\$150,203	\$151,593	\$151,593	\$151,593	\$151,593
5 Grant County PUD (Priest Rapids/Wanapum)	\$506,303	\$506,303	\$506,303	\$506,303	\$506,303	\$506,303	\$506,303	\$506,303	\$506,303	\$506,303	\$506,303	\$506,303
6 Bonneville Power Admin. (WNP-3)	\$3,591,877	\$3,245,650	\$1,773,317	\$1,717,470	\$0	\$0	\$0	\$0	\$0	\$0	\$3,018,747	\$3,118,971
7 Inland Power & Light - Deer Lake	\$633	\$543	\$628	\$376	\$364	\$521	\$172	\$558	\$508	\$462	\$438	\$607
8 Small Power	\$104,548	\$133,402	\$120,054	\$138,177	\$109,687	\$126,054	\$141,472	\$99,143	\$71,712	\$72,400	\$102,286	\$151,410
9 Stimson Lumber	\$191,934	\$177,148	\$118,357	\$87,384	\$129,833	\$153,226	\$181,685	\$159,692	\$136,370	\$178,307	\$185,042	\$167,496
10 City of Spokane-Upriver	\$170,615	\$227,490	\$381,561	\$196,029	\$206,051	\$254,881	\$186,480	\$4,899	\$9,476	\$59,589	\$224,132	\$370,908
11 JP Morgan Ventures - Stairline Wind	\$328,047	\$277,952	\$407,597	\$296,356	\$265,009	\$368,467	\$308,955	\$213,538	\$126,463	\$252,754	\$198,703	\$383,063
12 Rathdrum Power, LLC (Lancaster PPA)	\$2,111,292	\$2,126,325	\$2,009,708	\$1,878,349	\$1,799,356	\$1,794,111	\$1,897,511	\$2,068,662	\$2,159,889	\$2,157,265	\$2,032,031	\$1,926,647
13 Clearwater (PFI)	\$1,684,910	\$1,538,596	\$1,141,844	\$1,659,201	\$1,652,935	\$1,440,266	\$1,454,087	\$1,482,371	\$1,464,087	\$1,520,956	\$1,500,226	\$1,559,026
14 WPM Ancillary Services	\$60,802	\$7,260	\$53,813	\$50,517	\$48,663	\$46,251	\$53,719	\$52,918	\$44,833	\$49,031	\$51,819	\$55,690
15 Non-Mon. Accruals	(\$27,951)	(\$75,081)	(\$18,982)	(\$15,733)	(\$7,189)	\$34,535	\$74,617	(\$139,538)	\$15,194	(\$57,286)	\$43,110	\$71,617
16 Total 555 Purchased Power	\$23,141,987	\$20,794,370	\$19,562,184	\$15,582,228	\$14,344,417	\$14,388,492	\$20,047,557	\$21,177,850	\$18,906,988	\$21,436,597	\$24,319,447	\$26,814,280
(1) Effective November, 2008, WNP-3 purchase expense has been adjusted to reflect the mid-point price, per Settlement Agreement. Cause No. U-86-99												
447 SALES FOR RESALE												
17 Short-Term Sales	(\$9,802,147)	(\$6,428,516)	(\$7,436,245)	(\$6,747,707)	(\$6,168,836)	(\$6,198,042)	(\$8,447,391)	(\$9,413,147)	(\$9,561,242)	(\$11,994,403)	(\$13,156,316)	(\$11,741,234)
18 Peaker LLC/POE Cap Sale	(\$145,085)	(\$146,215)	(\$145,955)	(\$145,085)	(\$145,955)	(\$146,150)	(\$146,085)	(\$145,246)	(\$145,246)	(\$145,955)	(\$146,215)	(\$144,955)
19 Nichols Pumping Index Sale	(\$90,416)	(\$78,912)	(\$64,227)	(\$91,572)	(\$21,830)	(\$17,547)	(\$60,885)	(\$118,146)	(\$110,107)	(\$144,929)	(\$126,384)	(\$88,016)
20 Sovereign/Kaiser Load Following	(\$6,938)	(\$6,571)	(\$6,812)	(\$6,339)	(\$6,462)	(\$6,531)	(\$6,604)	(\$6,408)	(\$6,534)	(\$6,534)	(\$6,396)	(\$6,764)
21 Pend Oreille DES	(\$39,497)	(\$35,566)	(\$38,332)	(\$35,175)	(\$25,248)	(\$24,167)	(\$35,147)	(\$33,533)	(\$29,650)	(\$40,438)	(\$40,015)	(\$44,051)
22 SMUD 50 + 25	(\$1,864,700)	(\$1,480,370)	(\$1,194,090)	(\$919,166)	(\$1,172,399)	(\$1,138,065)	(\$1,620,981)	(\$2,177,006)	(\$1,660,716)	(\$1,965,343)	(\$1,526,432)	(\$1,473,471)
23 Merchant Ancillary Services	(\$2,001,372)	(\$2,282,572)	(\$1,110,021)	(\$1,233,042)	(\$1,287,856)	(\$1,289,502)	(\$1,132,560)	(\$1,172,104)	(\$1,126,443)	(\$1,584,135)	(\$1,840,222)	(\$1,814,780)
24 Total 447 Sales for Resale	(\$13,950,055)	(\$12,418,742)	(\$9,996,182)	(\$9,118,086)	(\$8,828,586)	(\$8,800,004)	(\$11,449,453)	(\$13,066,498)	(\$12,639,812)	(\$15,581,737)	(\$16,841,980)	(\$15,313,281)
501 FUEL-DOLLARS												
25 Kettle Falls Wood-501110	\$1,075,902	\$899,553	\$368,884	(\$19,413)	\$0	\$0	\$489,004	\$903,567	\$836,766	\$882,622	\$727,505	\$605,430
26 Kettle Falls Gas-501120	(\$558)	\$52	\$6,136	(\$589)	(\$178)	(\$133)	\$3,263	\$44	(\$203)	\$39	\$2,424	(\$151)
27 Colstrip Coal-501140	\$1,898,492	\$1,147,168	\$1,741,414	\$1,127,757	\$227,488	\$1,037,138	\$1,315,171	\$9,137,447	\$1,993,738	\$2,112,981	\$1,560,572	\$1,699,045
28 Colstrip Oil-501160	\$20,937	\$13,347	\$15,269	\$0	\$0	\$16,802	\$79,439	\$25,566	\$2,921	\$9,483	\$20,253	\$0
29 Total 501 Fuel Expense	\$2,994,673	\$2,060,120	\$2,131,703	\$1,107,755	\$227,310	\$1,063,807	\$1,886,877	\$4,066,624	\$2,825,222	\$9,005,125	\$2,310,754	\$2,304,324
501 FUEL-TONS												
30 Kettle Falls	50,240	43,210	19,413	-	-	-	25,701	48,049	43,361	48,569	43,495	40,052
31 Colstrip	92,959	91,685	88,194	59,108	32,799	44,605	61,832	98,259	95,751	96,779	96,981	101,017
501 FUEL-COST PER TON												
32 Kettle Falls	\$21.42	\$20.82	\$19.00	\$19.08	\$6.94	\$23.25	\$19.03	\$18.81	\$19.34	\$18.17	\$16.73	\$15.12
33 Colstrip	\$20.42	\$12.51	\$19.75	\$19.08	\$6.94	\$23.25	\$21.27	\$31.93	\$20.72	\$21.83	\$16.09	\$16.82
547 FUEL												
34 NE CT Gas/Oil-547213	\$2,305	(\$8)	\$3	\$603	\$176	\$498	\$756	\$643	\$1,117	(\$3,206)	\$3,678	\$923
35 Boulder Park-547216	\$42,073	\$6,367	\$14,961	\$1,164	\$11,047	\$9,812	(\$35)	\$23,310	\$11,704	\$22,735	\$2,284	\$9,360
36 Kettle Falls CT-547211	\$16,754	(\$316)	\$115	(\$337)	(\$102)	(\$67)	(\$750)	\$5,503	\$2,816	\$8,595	\$1,030	(\$190)
37 Coyote Springs-547610	\$4,518,965	\$3,925,119	\$1,764,650	\$790,356	\$574,245	\$651,010	\$1,778,059	\$3,225,521	\$4,339,365	\$4,931,553	\$3,153,602	\$1,354,336
38 Lancaster-547312	\$4,045,593	\$3,734,764	\$2,704,843	\$1,309,673	\$569,122	\$528,509	\$1,817,405	\$3,472,779	\$4,158,399	\$4,543,772	\$3,448,521	\$2,130,746
39 Rathdrum CT-547310	\$13,214	\$1,300	(\$385)	\$1,403	\$44,508	\$9,466	\$47,671	\$77,187	\$399	\$4,083	\$32,327	\$57,409
40 Total 547 Fuel Expense	\$8,638,904	\$7,667,226	\$4,484,187	\$2,102,862	\$1,198,996	\$1,199,228	\$3,643,106	\$6,804,943	\$8,513,800	\$9,607,532	\$6,641,432	\$3,552,566
41 TOTAL NET EXPENSE	\$20,825,509	\$18,102,974	\$16,181,892	\$9,674,759	\$6,942,137	\$7,841,523	\$14,128,087	\$18,982,919	\$17,606,198	\$18,467,517	\$16,429,653	\$17,357,907

Avista Corp. - Resource Accounting
WASHINGTON DEFERRED POWER COST CALCULATION - ACTUAL SYSTEM POWER SUPPLY EXPENSES

Line No.	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
456 TRANSMISSION REVENUE												
42	456100 ED AN	(\$913,310)	(\$648,281)	(\$688,458)	(\$817,746)	(\$1,385,867)	(\$1,387,494)	(\$1,306,308)	(\$921,746)	(\$972,416)	(\$719,210)	(\$703,488)
43	456705 ED AN	(\$77,412)	(\$77,412)	(\$77,412)	(\$77,412)	(\$77,412)	(\$77,412)	(\$77,412)	(\$77,412)	(\$77,412)	(\$77,412)	(\$77,412)
44	Total 456 Transmission Revenue	(\$990,722)	(\$725,693)	(\$765,880)	(\$895,158)	(\$1,463,279)	(\$1,464,906)	(\$1,383,720)	(\$999,158)	(\$1,049,828)	(\$796,622)	(\$780,900)
565 TRANSMISSION EXPENSE												
45	565000 ED AN	\$1,493,255	\$1,528,847	\$1,478,508	\$1,425,218	\$1,369,488	\$1,418,853	\$1,418,226	\$1,514,240	\$1,486,068	\$1,466,846	\$1,466,922
46	565312 ED AN	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
47	565710 ED AN	\$2,030	\$2,030	\$2,030	\$2,030	\$2,030	\$2,030	\$2,030	\$2,030	\$2,030	\$2,030	\$2,030
48	Total 565 Transmission Expense	\$1,495,285	\$1,530,877	\$1,480,538	\$1,427,248	\$1,371,518	\$1,420,883	\$1,420,256	\$1,516,270	\$1,488,098	\$1,470,876	\$1,468,952
49	Total 557170 ED AN Broker Fees	\$77,415	\$62,390	\$58,865	\$75,121	\$61,843	\$65,621	\$82,534	\$68,750	\$79,496	\$98,716	\$91,023
RESOURCE OPTIMIZATION												
50	Econ Dispatch-557010	(\$2,032,479)	(\$809,160)	(\$65,290)	\$2,327,485	\$1,130,624	\$370,598	\$2,947,144	\$906,712	\$788,536	(\$513,321)	(\$339,988)
51	Econ Dispatch-557150	\$5,918,543	\$8,778,373	\$8,811,364	\$6,300,876	\$4,225,073	\$6,397,861	\$7,382,492	\$1,622,665	\$1,496,346	\$4,069,267	\$16,117,205
52	Gas Bookouts-557700	\$223,650	\$2,426,636	\$518,338	\$609,000	\$7,153	\$161,161	\$0	\$0	\$0	\$308,975	\$221,400
53	Gas Bookouts-557711	(\$223,650)	(\$2,426,636)	(\$518,338)	(\$609,000)	(\$7,153)	(\$161,161)	\$0	\$0	\$0	(\$308,975)	(\$221,400)
54	Intraco Thermal Gas-557730	\$2,715,887	\$7,242,610	\$883,454	\$5,396,524	\$3,514,063	\$1,390,720	\$3,797,546	\$3,355,997	\$4,239,898	\$3,504,946	\$4,279,911
55	Fuel DispatchFin-456010	\$1,083,256	\$236,776	(\$851,216)	(\$1,929,045)	(\$1,369,704)	(\$805,342)	(\$3,434,471)	(\$993,353)	(\$434,879)	\$61,080	(\$187,491)
56	Fuel Dispatch-456015	(\$2,946,855)	(\$4,206,969)	(\$4,722,448)	(\$9,932,613)	(\$7,125,100)	(\$7,570,556)	(\$9,902,019)	(\$2,087,209)	(\$2,589,323)	(\$1,542,155)	(\$6,604,074)
57	Intraco Thermal Gas-456730	(\$3,605,893)	(\$10,218,795)	(\$2,979,518)	(\$1,450,165)	(\$405,064)	(\$206,231)	(\$932,550)	(\$2,939,780)	(\$3,536,282)	(\$5,405,166)	(\$12,682,167)
58	Fuel Bookouts-456711	\$0	\$0	\$382,850	\$691,560	\$7,708	\$12,113	\$381,481	\$0	\$0	\$0	\$0
59	Fuel Bookouts-456720	\$0	\$0	(\$382,850)	(\$691,560)	(\$7,708)	(\$12,113)	(\$381,481)	\$0	\$0	\$0	\$0
60	Resource Optimization Subtotal	\$1,132,459	\$1,022,835	\$1,056,346	\$713,062	(\$30,108)	(\$422,950)	\$235,247	(\$114,968)	(\$35,704)	\$174,651	\$583,396
61	REC Rev in Base Rates	\$0	(\$70,833)	(\$70,833)	(\$70,833)	(\$70,833)	(\$70,833)	(\$70,833)	(\$70,833)	(\$70,833)	(\$70,833)	(\$70,833)
62	Misc Rev's 456016 ED AN	(\$227,500)	(\$125,000)	(\$195,000)	(\$125,000)	(\$295,776)	(\$427,374)	(\$40,000)	\$0	\$0	(\$195,250)	(\$95,887)
63	REC Revenue Subtotal	(\$227,500)	\$102,500	(\$124,167)	(\$54,167)	(\$310,777)	(\$356,541)	\$30,833	\$70,833	\$70,833	(\$124,417)	(\$25,054)
64	Misc. Power Exp. Authorized	\$29,760	\$27,840	\$29,760	\$28,760	\$29,760	\$28,800	\$29,760	\$28,800	\$29,800	\$28,800	\$29,760
65	Misc. Power Exp. Actual-557160 ED AN	\$29,760	\$27,840	\$26,604	\$28,800	\$29,582	\$28,800	\$29,760	\$110,000	\$96,160	\$87,240	\$88,160
66	REC Purchases Subtotal	\$0	\$0	(\$3,156)	\$40	(\$178)	\$0	\$0	\$81,200	\$66,360	\$68,440	\$58,400
67	Wind REC Exp Authorized	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
68	Wind REC Exp Actual 557395	(\$13,344)	(\$11,312)	(\$16,588)	(\$12,061)	(\$11,524)	(\$14,996)	(\$12,574)	(\$5,016)	(\$10,226)	(\$8,069)	(\$15,988)
69	Wind REC Subtotal	(\$13,344)	(\$11,312)	(\$16,588)	(\$12,061)	(\$11,524)	(\$14,996)	(\$12,574)	(\$5,016)	(\$10,226)	(\$8,069)	(\$15,988)
70	Net Resource Optimization	\$891,615	\$1,114,023	\$912,435	\$646,874	(\$352,587)	(\$794,487)	\$253,506	\$32,049	\$91,263	\$100,605	\$600,754
71	Adjusted Actual Net Expense	\$22,299,102	\$20,084,571	\$17,967,850	\$10,928,844	\$6,559,632	\$7,068,634	\$14,500,663	\$18,224,109	\$19,076,546	\$17,303,228	\$18,737,736

Avista Corp. - Resource Accounting
 Washington Electric Jurisdiction
Energy Recovery Mechanism (ERM) Retail Revenue Credit Calculation - 2012

Retail Sales - MWh	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	YTD
Total Billed Sales	534,756	518,002	490,431	459,155	429,820	415,990	419,539	466,041	448,574	409,531	433,065	499,876	5,522,783
Deduct Prior Month Unbilled	(405,057)	(391,199)	(376,206)	(370,627)	(322,465)	(309,794)	(290,186)	(330,261)	(363,864)	(328,848)	(361,787)	(382,679)	(4,232,914)
Add Current Month Unbilled	391,199	376,206	370,627	322,465	309,734	290,186	330,261	363,864	328,848	361,787	382,679	396,432	4,224,289
Total Retail Sales	520,898	503,009	484,852	410,994	417,089	396,442	459,615	499,644	411,558	442,470	453,958	513,629	5,514,158
Test Year Retail Sales	510,744	483,398	466,836	425,802	396,288	410,509	447,904	483,473	416,772	454,738	481,280	549,531	5,528,276
Difference from Test Year	10,154	19,612	18,016	(15,809)	20,801	(14,067)	11,711	16,170	(5,214)	(12,268)	(27,322)	(35,902)	(14,118)
Production Rate - \$/MWh	\$50.37	\$50.37	\$50.37	\$50.37	\$50.37	\$50.37	\$50.37	\$50.37	\$50.37	\$50.37	\$50.37	\$50.37	\$50.37
Total Revenue Credit - \$	\$511,457	\$987,834	\$907,483	\$796,283	\$1,047,749	(\$708,567)	\$589,864	\$814,497	(\$262,607)	(\$617,956)	(\$1,376,220)	(\$1,808,371)	(\$711,120)