

Avista Corp.
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Toll Free 800-727-9170



June 14, 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, May 2010

Dear Mr. Danner:

Enclosed are an original and five copies of Avista Corporation's Power Cost Deferral Report for the month of May 2010. The report includes the monthly energy recovery mechanism (ERM) accounting journal together with backup workpapers. In May actual net power costs were higher than authorized costs by \$2,007,272. A surcharge deferral was recorded in the amount of \$126,537 as the year-to-date difference is \$4,253,074 in the surcharge direction. The deferral related to the Lancaster natural gas-fired generating plant amounted to \$1,471,714.

Actual power supply expense was higher than the authorized level due primarily to low hydro generation. Hydro generation was 316 aMW below the authorized level. Partially offsetting the increased expense due to low hydro generation was lower natural gas prices and increased thermal generation. The average natural gas price for Coyote Springs 2 was \$3.80/dth compared to an authorized price of \$5.14/dth.

Colstrip and Kettle Falls generation was 88 aMW and 21 aMW above the authorized levels, respectively. Coyote Springs 2 generation was 54 aMW above the authorized level. The net transmission expense (transmission expense less transmission revenue) was below the authorized level. Washington retail sales were 31 aMW below the authorized level.

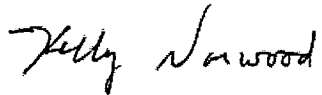
In May 2010 the ERM deferral balances increased by \$125,094. The May deferral was \$126,537, interest amounted to -\$1.443, and amortization was zero. At the Open Meeting held on February 11, 2010, the Commission approved the elimination of the ERM surcharge, effective February 12, 2010. At the end of May the recoverable deferral balance account, to which surcharge amortization had previously applied, had a credit (over-recovered) balance of \$552,965. 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 15 of the attached report.

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OFFICE OF WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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 31, 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 May 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 cursive script that reads "Kelly Norwood".

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 MAY 2010

Avista Corporation Journal Entry

Effective Date: 201005

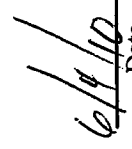
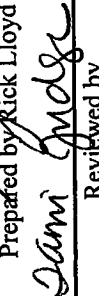
Journal: 481-WA ERM
 Team: Resource Accounting
 Type: C
 Category: DJ

Last Saved by: Rick Lloyd

Last Saved: 06/04/2010 3:56 PM

Submitted by: Rick Lloyd

Seq.	Co.#	FERC	Ser.	Jur.	S.I.	Debit	Credit	Comment
10	001	557290 - WA ERM AMORTIZATION	ED	WA	DL	0.00		WA ERM surcharge amortization
20	001	182350 - REGULATORY ASSET ERM APPROVED FOR F	ED	WA	DL		0.00	WA ERM authorized for recovery
25	001	182350 - REGULATORY ASSET ERM APPROVED FOR F	ED	WA	DL		1,724.00	Accrue interest on deferral balance authorized for recovery
30	001	431600 - INTEREST EXPENSE ENERGY DEFERRALS	ED	WA	DL	1,724.00		Interest Expense
40	001	557280 - DEFERRED POWER SUPPLY EXPENSE	ED	WA	DL		126,537.00	WA ERM current month deferral
50	001	186280 - REGULATORY ASSET ERM DEFERRED CURF	ED	WA	DL	126,537.00		WA ERM current year deferral
60	001	186280 - REGULATORY ASSET ERM DEFERRED CURF	ED	WA	DL	192.00		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		281.00	Non-utility interest income
100	001	186312 - REGULATORY ASSET - LANCASTER GENERA	ED	WA	DL	1,489,944.06		WA Lancaster Deferral
110	001	557312 - DEF POWER SUPPLY EXP - LANCASTER	ED	WA	DL		1,471,714.31	WA Lancaster Monthly Activity
120	001	419312 - INTEREST INCOME DEFERRED - LANCASTER	ED	WA	DL		18,229.75	WA Lancaster Interest
TOTALS:						1,618,486.06	1,618,486.06	


 Prepared by: Rick Lloyd
 Date: 6/4/10

 Reviewed by: Dami Gudger
 Date: 6/4/10

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

Approved for Entry
 Corporate Accounting use Only
 Date

Detail Balances (AVA CORP) - 001.186280.ED.WA.DL						
Balance Type: Actual			Currency Type: Entered		Factor: Units	
Period	Currency	PTD	PTD Converted	YTD	YTD Converted	
200913	USD	0.00		29,449.00		
201001	USD	-29,449.00		0.00		
201002	USD	0.00		0.00		
201003	USD	0.00		0.00		
201004	USD	0.00		0.00		
201005	USD	126,729.00		126,729.00		

ERM Deferral Balance (Current Year - 2010)

<u>Account 186280.ED.WA</u>	<u>Amount</u>	<u>Journal ID</u>
Balance 4/30/10	\$0.00	
Deferral	126,537.00	
Interest	192.00	481 - WA ERM
Balance 5/31/10	<u>\$126,729.00</u>	

Year to date deferrals	\$126,537.00
Year to date interest	192.00
Balance in account	<u>\$126,729.00</u>

	<u>Total</u>	<u>Absorbed</u>	<u>Deferred</u>
First \$4,000,000 at 100%	\$4,000,000.00	\$4,000,000.00	\$0.00
\$4,000,000 to \$10,000,000 at 50%	253,074.00	126,537.00	126,537.00
Over \$10,000,000 at 10%	0.00	0.00	0.00
Total	<u>\$4,253,074.00</u>	<u>\$4,126,537.00</u>	<u>\$126,537.00</u>

Detail Balances (AVA CORP) - 001.186290.ED.WA.DL

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

Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200913	USD	0.00		0.00	
201001	USD	29,538.00		29,538.00	
201002	USD	89.00		29,627.00	
201003	USD	89.00		29,716.00	
201004	USD	89.00		29,805.00	
201005	USD	89.00		29,894.00	

Journal Details Summary Balances

ERM Deferral Balance (Prior year - 2009)
Account 186290.ED.WA
 Balance 4/30/10
 Interest
 Balance 5/31/10

<u>Amount</u>	<u>Journal ID</u>
\$29,805.00	
89.00	481 - WA ERM
<u>\$29,894.00</u>	

Detail Balances (AVA 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	
201003	USD	853,200.00		549,517.35	
201004	USD	1,724.00		551,241.35	
201005	USD	1,724.00		552,965.35	

Recoverable Deferral Balance

Account 182350.ED.WA

Balance 4/30/10

Amortization

Interest

Balance 5/31/10

Amount

-\$551,241.35

0.00

-1,724.00

-\$552,965.35

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	
201003	USD	298,588.85		181,931.35	
201004	USD	572.25		182,503.60	
201005	USD	43,782.90		138,720.70	

Journal Details Summary Balances

DFIT Associated with ERM Deferrals

Account 283280.ED.WA

Account 186280.ED.WA balance	\$126,729.00
Account 186290.ED.WA balance	29,894.00
Account 182350.ED.WA balance	-552,965.35
Total	<u>-396,342.35</u>
Federal income tax rate	-35%
Deferred FIT related to deferrals	<u>\$138,720</u>
Rounding	1
Balance in account	<u><u>\$138,721</u></u>

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	
201003	USD	1,328,899.10		3,781,523.11	
201004	USD	1,521,892.58		5,303,415.69	
201005	USD	1,489,944.06		6,793,359.75	

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

Balance 4/30/10	\$5,303,415.69	
Deferral	1,471,714.31	481 - WA ERM
Interest	18,229.75	481 - WA ERM
Balance 5/31/10	<u>\$6,793,359.75</u>	
Year to date deferrals	\$6,744,590.91	
Year to date interest	<u>48,768.84</u>	
Balance in account	<u>\$6,793,359.75</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	
201003	USD	465,114.69		1,323,533.10	
201004	USD	532,662.40		1,856,195.50	
201005	USD	521,480.42		2,377,675.92	

Journal Details Summary Balances

DFIT Associated with Lancaster Deferrals

Account 283312.ED.WA

Balance 4/30/10	-\$1,856,195.50
Deferral	-521,480.42
Balance 5/31/10	<u><u>-\$2,377,675.92</u></u>

Changes Semiannually on January 1 and July 1 Beginning 7/1/02
 The rate is based on Avista's actual cost of debt, updated semiannually.
 The actual cost of debt calculated at 6/30 will be used for the interest calculation from July through December.
 The actual cost of debt calculated at 12/31 will be used for the interest calculation from January through June.
 Interest will be accrued monthly and compounded semi-annually.
 Interest is calculated using the prior month ending balance plus 1/2 month of current month charges times the current after tax interest rate

Actual cost of debt at 12/31/09 is 5.601%	Actual cost of debt at 6/30/09 is 6.041%		
The monthly rate is:	0.00467 Before Tax	0.00503417 Before Tax	
	0.0036389 After Tax	0.0032722 After Tax	
	0.35 Tax rate	0.35 Tax rate	

Account 186280		2010 Interest			
				DFIT Expense	ADFIT
January					
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
February					
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
March					
March	ERM Deferral	0	Deferral	0	Operating 0
March	Interest	0	Interest	0	Nonoperating 0
03-31-2010	Balance before interest	0		0	Total 0
April					
April	ERM Deferral	0	Deferral	0	Operating 0
April	Interest	0	Interest	0	Nonoperating 0
04-30-2010	Balance before interest	0		0	Total 0
May					
May	ERM Deferral	126,537	Deferral	44,288	Operating (44,288)
May	Interest		Interest	67	Nonoperating (67)
05-31-2010	Balance before interest	126,537		44,355	Total (44,355)
	GL Balance	126,537	192	ADFIT Balance	(44,355)
	Update ERM balance to include Interest		126,729		(44,355)
				Check	0

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%		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					
0.0036339 After Tax		0.0032722 After Tax					
0.35 Tax rate		0.35 Tax rate					
Account 186290		2010 Interest					
12-31-2009	GL Balance including interest	0					
01-31-2010	Transfer from 186280	\$29,449					(\$10,307)
01-31-2010	GL Balance including interest	\$29,449		<u>January</u>	<u>DFIT Expense</u>		<u>ADFIT</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>		<u>ADFIT</u>
February	Interest		89	Interest	31	Nonoperating	(31)
02-28-2010	Balance before interest	29,449			31	Total	(31)
				<u>March</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
March	Interest		89	Interest	31	Nonoperating	(31)
03-31-2010	Balance before interest	29,449			31	Total	(31)
				<u>April</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
April	Interest		89	Deferral	0	Operating	0
04-30-2010	Balance before interest	29,449		Interest	31	Nonoperating	(31)
					31	Total	(31)
				<u>May</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
May	Interest		89	Deferral	0	Operating	0
05-31-2010	Balance before interest	29,449		Interest	31	Nonoperating	(31)
					31	Total	(31)
	GL Balance	29,449	445	ADFIT Balance			(10,462)
	Update ERM balance to include Interest		29,894				(10,463)
						Check	1

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%							
The monthly rate is 0.00467 Before Tax							
0.0030339 After Tax							
0.35 Tax rate							
Account 182350		2010 Interest					(2,181,898)
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
				March	DFIT Expense	ADFIT	
March	Surcharge Amortization	(852,770)		Amortization	(298,470)	Operating	298,470
March	Interest		(430)	Interest	(151)	Nonoperating	151
03-31-2010	Balance before interest	(568,122)			(298,621)	Total	298,621
				April	DFIT Expense	ADFIT	
April	Surcharge Amortization	0		Amortization	0	Operating	0
April	Interest		(1,724)	Interest	(603)	Nonoperating	603
04-30-2010	Balance before interest	(568,122)			(603)	Total	603
				May	DFIT Expense	ADFIT	
May	Surcharge Amortization	0		Amortization	0	Operating	0
May	Interest		(1,724)	Interest	(603)	Nonoperating	603
05-31-2010	Balance before interest	(568,122)			(603)	Total	603
	GL Balance	(568,122)	15,157	ADFIT Balance			193,537
	Update ERM balance to include Interest		(552,965)				193,538
						Check	(1)

Avista Utilities
 WASHINGTON POWER COST DEFERRALS

Line No.	WASHINGTON ACTUALS-2010	Actual Jan-10	Actual Feb-10	Actual Mar-10	Actual Apr-10	Actual May-10	Actual Jun-10	Actual Jul-10	Actual Aug-10	Actual Sep-10	Actual Oct-10	Actual Nov-10	Actual Dec-10
1	555 Purchased Power	\$ 27,578,538	\$ 21,956,855	\$ 25,184,921	\$ 20,716,095	\$ 15,681,784	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	447 Sale for Resale	\$ (21,945,079)	\$ (20,327,353)	\$ (24,141,469)	\$ (22,466,280)	\$ (14,727,104)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	501 Thermal Fuel	\$ 2,836,182	\$ 1,496,446	\$ 1,699,909	\$ 2,364,741	\$ 1,837,053	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	547 CT Fuel	\$ 11,571,418	\$ 13,318,138	\$ 14,036,748	\$ 10,882,168	\$ 3,845,423	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	456 Transmission Revenue	\$ (826,994)	\$ (879,901)	\$ (832,640)	\$ (838,603)	\$ (925,457)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	565 Transmission Expense	\$ 1,550,681	\$ 1,536,283	\$ 1,542,335	\$ 1,414,313	\$ 1,422,648	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	557 Broker Fees	\$ 9,775	\$ 14,845	\$ 37,731	\$ 27,809	\$ 16,574	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	Less Clearwater 62 aMW directly to ID	\$ (1,607,483)	\$ (1,501,556)	\$ (1,204,807)	\$ (1,548,766)	\$ (1,856,025)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Less Lancoaster Costs	\$ (1,888,365)	\$ (1,897,353)	\$ (2,042,853)	\$ (2,335,010)	\$ (2,278,548)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	Adjusted Actual Net Expense	\$ 17,278,683	\$ 13,716,384	\$ 14,279,875	\$ 8,236,485	\$ 3,216,348	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AUTHORIZED NET EXPENSE-SYSTEM													
11	555 Purchased Power	\$ 19,692,341	\$ 12,897,456	\$ 11,882,410	\$ 7,996,558	\$ 6,149,064	\$ 9,111,275	\$ 6,773,651	\$ 10,857,423	\$ 10,015,284	\$ 15,519,622	\$ 16,179,967	\$ 18,433,441
12	447 Sale for Resale	\$ (68,401,047)	\$ (4,530,959)	\$ (5,932,502)	\$ (6,551,556)	\$ (7,940,050)	\$ (9,152,666)	\$ (7,894,613)	\$ (2,103,541)	\$ (2,532,204)	\$ (4,665,448)	\$ (6,332,802)	\$ (5,816,201)
13	501 Thermal Fuel	\$ 26,450,717	\$ 1,760,141	\$ 1,773,091	\$ 1,568,061	\$ 1,043,804	\$ 1,060,518	\$ 2,684,668	\$ 2,871,913	\$ 2,790,935	\$ 1,759,986	\$ 3,028,031	\$ 3,112,321
14	547 CT Fuel	\$ 67,467,440	\$ 6,305,838	\$ 6,040,582	\$ 4,282,362	\$ 2,067,065	\$ 2,537,379	\$ 5,825,553	\$ 6,486,996	\$ 6,038,611	\$ 6,772,214	\$ 7,195,498	\$ 7,552,906
15	456 Transmission Revenue	\$ (9,478,693)	\$ (691,030)	\$ (710,807)	\$ (695,003)	\$ (811,018)	\$ (1,144,190)	\$ (1,090,504)	\$ (894,674)	\$ (729,456)	\$ (749,649)	\$ (712,323)	\$ (642,930)
16	565 Transmission Expense	\$ 14,021,257	\$ 1,166,750	\$ 1,166,750	\$ 1,166,750	\$ 1,166,750	\$ 1,166,750	\$ 1,166,750	\$ 1,166,750	\$ 1,166,750	\$ 1,166,750	\$ 1,166,750	\$ 1,166,750
17	557 Broker Fees	\$ 104,004	\$ 8,667	\$ 8,667	\$ 8,667	\$ 8,667	\$ 8,667	\$ 8,667	\$ 8,667	\$ 8,667	\$ 8,667	\$ 8,667	\$ 8,667
18	Authorized Net Expense	\$ 167,856,019	\$ 19,686,018	\$ 16,705,319	\$ 14,410,727	\$ 7,793,839	\$ 1,684,272	\$ 587,713	\$ 18,413,491	\$ 16,758,587	\$ 19,811,141	\$ 20,473,786	\$ 24,014,954
19	Actual - Authorized Net Expense	\$ (111,128,258)	\$ (2,408,335)	\$ (2,988,935)	\$ (130,852)	\$ (442,626)	\$ (587,713)	\$ (7,514,172)	\$ (18,413,491)	\$ (16,758,587)	\$ (19,811,141)	\$ (20,473,786)	\$ (24,014,954)
20	Resource Optimization	\$ 1,360,376	\$ (240,565)	\$ (154,178)	\$ 1,038,901	\$ 979,996	\$ (88,298)	\$ (29,760)	\$ (29,760)	\$ (28,800)	\$ (28,800)	\$ (28,840)	\$ (29,760)
21	Adjusted Net Expense	\$ (109,767,882)	\$ (2,648,900)	\$ (3,143,113)	\$ 908,049	\$ 1,422,622	\$ (616,513)	\$ (7,543,932)	\$ (18,443,251)	\$ (16,787,387)	\$ (19,840,901)	\$ (20,502,620)	\$ (24,044,714)
22	Washington Allocation @ 64.59%	\$ (70,899,075)	\$ (1,711,570)	\$ (2,030,137)	\$ 586,509	\$ 918,872	\$ (398,206)	\$ (4,872,626)	\$ (11,912,496)	\$ (10,842,973)	\$ (12,815,239)	\$ (13,242,642)	\$ (15,530,481)
23	WA Retail Revenue Adjustment	\$ 5,537,487	\$ 2,998,438	\$ (148,846)	\$ (169,771)	\$ 1,055,359	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	Net Power Cost (+) Surcharge (-) Rebate \$	\$ 3,854,868	\$ 1,284,868	\$ (565,370)	\$ 437,653	\$ 1,088,643	\$ 2,007,272	\$ (398,206)	\$ -	\$ -	\$ -	\$ -	\$ -
25	Cumulative Balance	\$ 1,284,868	\$ 719,496	\$ 1,157,159	\$ 2,245,802	\$ 4,253,074	\$ 3,854,868	\$ 3,854,868	\$ 3,854,868	\$ 3,854,868	\$ 3,854,868	\$ 3,854,868	\$ 3,854,868

Deferral %
 Surch Reb
 check # should be zero

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

State Utilities
System Power Supply Expenses
WASHINGTON DEFERRED POWER COST CALCULATION

Line No.	744	744	744	744	744	744	744	744	744	744	744	744	744	744	744	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				
555 PURCHASED POWER																
1 ST Purchases	15,290,049	10,326,278	14,908,254	9,895,695	6,316,499											
2 Chelan-Rocky Reach	126,518	147,131	128,519	129,276	148,152											
3 Douglas-Wellis	1,072,817	1,072,817	1,072,817	1,072,817	1,072,817											
4 Grant-Priest Rapids/Wanapum	495,792	495,788	495,739	528,128	548,544											
5 Grant-Displacement	412,573	381,128	403,485	495,774	499,016											
6 Douglas Wells Settlement	4,787	4,383	9,482	18,981	90,808											
7 WNP-3 (1)	3,336,529	3,014,892	1,647,260	1,595,345												
8 Deer Lake-IPAL	750	633	424	388	407											
9 Small Power	102,840	88,742	107,980	100,839	90,925											
10 Sitmon Lumber	191,541	174,642	138,850	88,815	151,780											
11 Spokane-Upriver	142,850	147,286	148,675	290,802	294,239											
12 Douglas Exchange Capacity	97,826	73,237	105,000	167,500	175,000											
13 Seattle Exchange Capacity	161,820	146,160	181,820													
14 Black Crk Hydro	576,600	620,800	575,825	558,000	578,600											
15 Morgan Sl #17189	572,880	517,440	572,110	554,400	572,880											
16 Morgan Sl #17533	565,440	510,720	564,680	547,200	565,440											
17 Morgan Sl #19537	641,708	579,600	640,836	621,000	641,700											
18 BP Energy #102182	171,993	81,357	235,787	420,811	330,671											
19 Iberdrola Wind Power																
20 Spinning Reserve	1,999,713	2,090,908	2,060,465	2,056,619	1,819,672											
21 Clearwater (PF)	1,607,483	1,501,566	1,204,807	1,548,769	1,666,025											
22 WPM Ancillary Services	59,847	51,550	51,318	50,507	48,729											
23 Non-Mon. Accruals	(53,210)	(174)	(43,214)	(3,348)	80,882											
24 Total Account 555	27,578,538	21,956,855	25,184,921	20,716,095	15,681,784											
(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.																
555 PURCHASED POWER																
555000	\$ 17,444,834	\$ 12,650,894	\$ 10,956,388	\$ 9,416,135	\$ 9,087,802											
555100	\$ 472,019	\$ 585,095	\$ 988,313	\$ -	\$ -											
555700	\$ 5,423,087	\$ 4,851,920	\$ 9,614,048	\$ 7,286,918	\$ 2,873,400											
555812	\$ 1,989,713	\$ 2,090,908	\$ 2,060,465	\$ 2,056,619	\$ 1,819,672											
555813	\$ 113,078	\$ 82,784	\$ 119,477	\$ 103,740	\$ 14,274											
555814	\$ 1,007,483	\$ 1,501,566	\$ 1,204,807	\$ 1,548,768	\$ 1,666,025											
555980	\$ 59,847	\$ 51,550	\$ 51,318	\$ 50,507	\$ 48,729											
555710	\$ (53,210)	\$ (174)	\$ (43,214)	\$ (3,348)	\$ 80,882											
555550	\$ 511,887	\$ 482,542	\$ 252,721	\$ 244,756	\$ 0											
WNP3 Mid Point	\$ 27,578,538	\$ 21,956,855	\$ 25,184,921	\$ 20,716,095	\$ 15,681,784											
447 SALES FOR RESALE																
25 Short-Term Sales	16,190,817	15,281,527	19,288,101	17,663,400	9,944,186											
26 Peaker LLC/PGE Cap Sale	146,955	146,345	144,955	146,085	145,955											
27 Nichols Pumping Index Sale	186,011	167,422	159,701	150,160	129,519											
28 Sovereign/Kaiser Load Following	9,882	5,683	6,728	6,808	6,784											
29 Pend Oreille DES	37,655	32,852	33,998	31,308	37,587											
30 Northwestern Load Following	312,420	312,420	312,400	312,420	114,300											
31 NaturEner Glacier Wind	99,700	33,500	125,000	62,500	52,500											
32 SMUD 50 + 25	2,958,569	2,821,601	2,431,744	2,282,805	2,137,745											
33 Merchant Ancillary Services	2,024,100	1,725,703	1,639,844	1,810,986	2,158,528											
34 Total Account 447	21,945,079	20,327,333	24,141,469	22,466,260	14,727,104											
447 SALES FOR RESALE																
447000	\$ (13,569,301)	\$ (13,371,804)	\$ (11,379,421)	\$ (12,590,861)	\$ (9,301,004)											
447100	\$ (57,542)	\$ -	\$ (50,769)	\$ (82,316)	\$ (61,352)											
447213	\$ (26,094)	\$ 2,184	\$ (14,955)	\$ (19,013)	\$ (24,986)											
447700	\$ (6,288,072)	\$ (5,232,210)	\$ (11,056,480)	\$ (7,963,074)	\$ (3,181,234)											
447720	\$ (2,024,100)	\$ (1,725,703)	\$ (1,639,844)	\$ (1,810,986)	\$ (2,158,528)											
Total	\$ (21,845,079)	\$ (20,327,333)	\$ (24,141,469)	\$ (22,466,260)	\$ (14,727,104)											

ista Utilities
 System Power Supply Expenses
 WASHINGTON DEFERRED POWER COST CALCULATION

Line No.	744	672	743	720	744	720	744	744	744	744	744	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
501 FUEL-DOLLARS												
35	Kettle Falls-501110	910,489	1,059,512	922,937	516,554							
36	Colstrip Coal-501140	579,261	637,374	1,452,034	1,291,201							
37	Total Coal & Wood	1,489,750	1,696,886	2,374,971	1,807,755							
38	Kettle Falls GS-501120	13,411	2,999	3,370	(144)	2,595						
39	Colstrip Oil-501160	18,701	3,697	653	9,914	26,703						
40	Total Oil & Gas	33,112	6,696	4,023	9,770	28,298						
41	Total Account 501	2,836,182	1,496,446	1,699,909	2,384,741	1,837,053						
501 FUEL-TONS												
42	Kettle Falls	46,567	39,984	47,417	41,305	22,135						
43	Colstrip	99,955	93,849	99,189	91,378	93,929						
501 FUEL-COST PER TON												
44	Kettle Falls	23.82	22.77	22.32	22.34	23.34						
45	Colstrip	16.95	8.17	6.43	15.89	13.75						
547 FUEL												
46	NE CT Gas/Oil-547213	38,372	3,611	127	(2,068)	(1,827)						
47	Boulder Park-547216	328	1,043	7,698	96,427	13,283						
48	Kettle Falls CT-547211	509	13	750	44,007	(204)						
49	Coyote Springs-547810	6,498,907	6,861,120	7,471,483	5,606,641	2,720,401						
49	WYOMING-547810	4,564,949	5,996,218	6,052,732	4,587,178	698,598						
50	WYOMING-547810	480,462	463,223	502,312	488,485	476,114						
51	Faithrum CT-547310	(1,807)	910	1,648	51,498	(950)						
52	Total Account 547	11,571,418	13,318,138	14,038,748	10,882,168	3,845,423						
53	TOTAL NET EXPENSE	20,041,059	16,444,106	16,780,108	11,516,724	6,837,156						
456 TRANSMISSION REV												
56	456100 ED AN	(826,994)	(879,901)	(832,640)	(838,603)	(925,457)						
57	to WA summary	(826,994)	(879,901)	(832,640)	(838,603)	(925,457)						
565 TRANSMISSION EXP												
58	565000 ED AN	1,173,401	1,162,103	1,171,965	1,037,033	1,045,366						
59	565100 ED AN	376,260	382,150	386,350	376,260	376,250						
60	565710 ED AN	2,030	2,030	2,030	2,030	2,030						
61	to WA summary	1,550,691	1,538,283	1,542,335	1,414,313	1,422,646						
62	557170 ED AN Broker Fees	9,775	14,846	37,731	27,809	16,574						
RESOURCE OPTIMIZATION												
63	Econ Dispatch-557150	7,867,490	5,864,736	9,229,431	9,954,860	8,106,504						
64	Gas Bookouts-557700				219,013							
65	Fuel Dispatch-456015	(8,108,055)	(6,814,914)	(8,188,881)	(8,875,087)	(8,164,802)						
66	Fuel Bookouts-456720				(218,780)							
67	to WA summary	(240,565)	(160,178)	1,040,560	979,996	(68,288)						
67	Misc Rev's 456016 ED AN		(4,000)									
69	REC Expense Authorized	29,760	26,860	29,720	28,900	29,760	28,800	28,760	28,800	28,760	28,840	28,760
70	557160 ED AN Actuals	29,760	26,880	26,071	26,800	29,760	28,760	28,760	28,760	28,760	28,840	28,760
71	to WA summary			(1,649)								
72	Net Resource Optimization	(240,565)	(164,178)	1,038,901	979,996	(68,288)						
Adjusted Actual Net Expense												
		20,533,956	16,961,155	18,566,436	13,100,239	7,092,623						

System Power Supply Expenses
 WASHINGTON LANCASTER POWER COST DEFERRALS

Line No.	WASHINGTON ACTUAL 9-2010 LANCASTER EXPENSE	Jan-10 201001	Feb-10 201002	Mar-10 201003	Apr-10 201004	May-10 201005	Jun-10 201006	Jul-10 201007	Aug-10 201008	Sep-10 201009	Oct-10 201010	Nov-10 201011	Dec-10 201012
1	Power Purchase Agreement												
2	Capacity	\$ 1,292,488.41	\$ 1,277,284.27	\$ 1,281,768.33	\$ 1,285,082.78	\$ 1,287,975.21							
3	Fixed O&M	\$ 457,078.13	\$ 463,487.15	\$ 459,819.16	\$ 460,612.30	\$ 461,845.68							
4	Variable O&M	\$ 219,443.06	\$ 308,738.87	\$ 325,201.60	\$ 282,183.19	\$ 44,312.58							
5	Heat Rate/Imbalance	\$ 29,802.08	\$ 41,382.38	\$ (6,121.87)	\$ 28,590.70	\$ 25,538.17							
6	Startup	\$ 1,989,712.88	\$ 2,090,907.87	\$ 2,060,465.22	\$ 2,056,618.95	\$ 1,819,671.54							
	Total	\$ 6,424,606.98	\$ 6,424,606.98	\$ 6,424,606.98	\$ 6,424,606.98	\$ 6,424,606.98							
7	Fuel Supply												
	Forward & Bal Gas	\$ 23,496,847.18	\$ 5,929,871.37	\$ 6,616,426.57	\$ 5,661,452.18	\$ 652,394.65							
	Total	\$ 23,496,847.18	\$ 5,929,871.37	\$ 6,616,426.57	\$ 5,661,452.18	\$ 652,394.65							
8	Gas Transportation												
	547313 GL	\$ 480,462.17	\$ 483,223.41	\$ 502,311.55	\$ 488,484.50	\$ 478,114.27							
9	Transmission Expense												
10	Demand	\$ 375,250.00	\$ 382,150.00	\$ 368,350.00	\$ 375,250.00	\$ 375,250.00							
11	Reserves/EVGI	\$ 113,078.41	\$ 82,764.02	\$ 119,476.85	\$ 103,739.76	\$ 14,274.08							
12	Reserves/EVGI	\$ (26,063.21)	\$ 2,184.41	\$ (14,954.57)	\$ (19,013.39)	\$ (24,985.79)							
13	PTC	\$ 462,284.54	\$ 467,098.43	\$ 472,872.28	\$ 459,976.37	\$ 364,538.29							
	Total	\$ 2,226,749.91	\$ 467,098.43	\$ 472,872.28	\$ 459,976.37	\$ 364,538.29							
14	Transmission Purchases												
	Hourly	\$ -	\$ -	\$ -	\$ -	\$ -							
15	Station Service												
	Hourly	\$ 64,424.62	\$ 488.50	\$ 2,676.10	\$ 6,128.30	\$ 35,209.86							
16	TOTAL LANCASTER EXPENSE	\$ 39,227,993.65	\$ 7,777,699,999.99	\$ 9,054,850.72	\$ 8,572,860.20	\$ 3,349,928.41							

Line No.	LANCASTER REVENUE	Jan-10 201001	Feb-10 201002	Mar-10 201003	Apr-10 201004	May-10 201005	Jun-10 201006	Jul-10 201007	Aug-10 201008	Sep-10 201009	Oct-10 201010	Nov-10 201011	Dec-10 201012
17	Power Value												
18	Forward Power P&S	\$ 3,617,600.00	\$ 576,000.00	\$ 7,622,075.00	\$ 5,654,850.16	\$ 5,654,850.16							
19	Balancing Power	\$ (1,055,020.30)	\$ (11,916.41)	\$ (499,382.67)	\$ (632,800.88)	\$ -							
20	Balancing Power	\$ 3,051,155.31	\$ 6,348,652.68	\$ 269,886.63	\$ 1,103,789.62	\$ 763,797.73							
	Total	\$ 5,613,735.01	\$ 6,342,736.27	\$ 7,392,678.96	\$ 6,125,839.10	\$ 763,797.73							
21	Redirected PTP Transmission	\$ 116,960	\$ 161,365	\$ 171,538	\$ 147,947	\$ 23,305							
	Hourly	\$ 48.00	\$ 42.84	\$ 43.10	\$ 41.41	\$ 32.77							
	Total	\$ 20,524.20	\$ 233.82	\$ 9,816.11	\$ 14,029.20	\$ 123,435.31							
22	Gas Transport Optimization												
23	Purchase	\$ (2,944,985.05)	\$ (3,766,884.79)	\$ (3,368,473.31)	\$ (3,008,720.13)	\$ (3,191,124.34)							
24	Sale	\$ 3,021,468.02	\$ 3,899,289.24	\$ 3,577,775.38	\$ 3,206,537.82	\$ 3,975,271.48							
	Total	\$ 89,182.97	\$ 141,414.45	\$ 209,302.07	\$ 197,817.69	\$ 184,147.12							
25	TOTAL LANCASTER REVENUE	\$ 5,717,674.18	\$ 7,054,264.44	\$ 7,611,787.24	\$ 6,337,449.99	\$ 1,071,380.16							
26	NET LANCASTER EXPENSE	\$ 10,442,159.64	\$ 1,897,392.94	\$ 2,042,853.48	\$ 2,245,410.21	\$ 2,648,253.25							
27	MONTHLY ACTIVITY - WA	\$ 64.59%	\$ 1,219,688.29	\$ 1,225,698.10	\$ 1,319,479.08	\$ 1,508,183.15	\$ 1,471,714.31						
28	BALANCE BEFORE INTEREST	\$ 1,219,688.29	\$ 2,445,214.39	\$ 3,764,693.45	\$ 5,272,876.60	\$ 6,744,590.91	\$ 6,744,590.91	\$ 6,813,821.99	\$ 6,813,821.99	\$ 6,813,821.99	\$ 6,813,821.99	\$ 6,813,821.99	\$ 6,813,821.99
29	INTEREST CALCULATION	\$ 1,850.19	\$ 5,559.43	\$ 9,420.04	\$ 13,709.43	\$ 18,229.75	\$ 20,462.25	\$ 20,462.25	\$ 20,462.25	\$ 20,462.25	\$ 20,462.25	\$ 20,462.25	\$ 20,462.25
30	WA LANCASTER DEFERRAL - MONTHLY	\$ 1,221,538.48	\$ 1,231,085.53	\$ 1,328,899.10	\$ 1,521,882.58	\$ 1,489,944.06	\$ 20,462.25	\$ 20,462.25	\$ 20,462.25	\$ 20,462.25	\$ 20,462.25	\$ 20,462.25	\$ 20,462.25
31	CUMULATIVE ACCOUNT BALANCE	\$ 1,221,538.48	\$ 2,452,624.01	\$ 3,781,523.11	\$ 5,303,415.69	\$ 6,793,359.75	\$ 6,813,821.99	\$ 6,834,494.28	\$ 6,854,956.52	\$ 6,875,418.77	\$ 6,896,091.05	\$ 6,916,763.34	\$ 6,937,425.62