

Avista Corp.
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Spokane, Washington 99220-3727
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Toll Free 800-727-9170



August 13, 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, July 2010

Dear Mr. Danner:

Enclosed are an original and five copies of Avista Corporation's Power Cost Deferral Report for the month of July 2010. The report includes the monthly energy recovery mechanism (ERM) accounting journal together with backup workpapers. In July actual net power costs were higher than authorized costs by \$1,073,261. The year-to-date difference is \$3,846,404 in the surcharge direction, which is within the \$4 M deadband. The deferral related to the Lancaster natural gas-fired generating plant amounted to \$147,833 in the rebate direction.

Actual power supply expense was higher than the authorized level due primarily to lower hydro generation. Hydro generation was 33 aMW below the authorized level. Partially offsetting lower hydro generation was low power prices. The average power purchase price was \$37.41/MWh compared to an authorized price of \$57.91.

Colstrip and Kettle Falls generation were 8 and 3 aMW below the authorized levels, respectively. Coyote Springs 2 generation was 33 aMW below the authorized level. The net transmission expense (transmission expense less transmission revenue) was below the authorized level. Washington retail sales were 26 aMW below the authorized level.

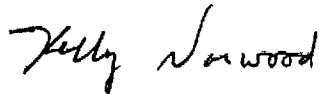
In July 2010 the ERM deferral balances decreased by \$1,686. The July deferral was zero, interest amounted to -\$1,686, and amortization was zero. At the Open Meeting held on February 11, 2010, the Commission approved the elimination of the ERM surcharge, effective February 12, 2010. At the end of July the recoverable deferral balance account, to which surcharge amortization had previously applied, had a credit (over-recovered) balance of \$526,393. 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.

STATE OF WASHINGTON
UTILITY AND TRANSPORTATION COMMISSION
2010 AUG 16 AM 8:32
COMMUNICATIONS SECTION

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 16 of this report shows the calculation of the weighted cost of debt at June 30, 2010, which will be used for the July-December 2010 period.

There were no forward long-term contracts of one year or longer entered into in the month of July 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, flowing style.

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

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

MONTH OF JULY 2010

Avista Corporation Journal Entry

Effective Date: 201007

Journal: 481-WA ERM

Team: Resource Accounting

Type: C

Category: DJ

Last Saved by: Rick Lloyd

Submitted by: Rick Lloyd

Last Saved: 08/06/2010 12:20 PM

| Seq. | Co.# | FERC | Seq. | 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 | | 1,687.00 | Accrue interest on deferral balance authorized for recovery |
| 30 | 001 | 431600 - INTEREST EXPENSE ENERGY DEFERRALS | ED | WA | DL | 1,687.00 | | Interest Expense |
| 40 | 001 | 557280 - DEFERRED POWER SUPPLY EXPENSE | ED | WA | DL | 0.00 | | WA ERM current month deferral |
| 50 | 001 | 186280 - REGULATORY ASSET ERM DEFERRED CURF | ED | WA | DL | | 0.00 | WA ERM current year deferral |
| 60 | 001 | 186280 - REGULATORY ASSET ERM DEFERRED CURF | ED | WA | DL | 1.00 | | Accrue interest on current year deferral balance |
| 70 | 001 | 186290 - REGULATORY ASSET ERM DEFERRED LAST | ED | WA | DL | 0.00 | | Accrue interest on previous year deferral balance |
| 80 | 001 | 419600 - INTEREST ON ENERGY DEFERRALS | ED | WA | DL | | 1.00 | Non-utility interest income |
| 100 | 001 | 186312 - REGULATORY ASSET - LANCASTER GENERA | ED | WA | DL | 147,832.83 | | 123,337.23 WA Lancaster Deferral |
| 110 | 001 | 557312 - DEF POWER SUPPLY EXP - LANCASTER | ED | WA | DL | | 24,495.60 | WA Lancaster Monthly Activity |
| 120 | 001 | 419312 - INTEREST INCOME DEFERRED - LANCASTER | ED | WA | DL | | 29,983.00 | WA Lancaster Interest |
| 130 | 001 | 182350 - REGULATORY ASSET ERM APPROVED FOR F | ED | WA | DL | | | Transfer 2009 ERM from Prudency Acct |
| 140 | 001 | 186290 - REGULATORY ASSET ERM DEFERRED LAST | ED | WA | DL | | | Transfer 2009 ERM to Amort Acct |
| TOTALS: | | | | | | 179,503.83 | 179,503.83 | |

Explanation:

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

Rick Lloyd
 Prepared by Rick Lloyd

Amy Gandy
 Reviewed by

8/6/10
 Date

8/6/10
 Date

 Date

Approved for Entry
 Corporate Accounting use Only

| Detail Balances (AVA CORP) - 001.186280 ED.WA.DL | | | | | | |
|--------------------------------------------------|----------|------------|-------------------------------|------------|----------------------|--|
| Balance Type: Actual | | | Currency Type: Entered | | Factor: Units | |
| Period | Currency | PTD | PTD Converted | YTD | YTD Converted | |
| 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 | | |
| 201006 | USD | 126,345.00 | | 384.00 | | |
| 201007 | USD | 1.00 | | 385.00 | | |
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Journal Details Summary Balances

ERM Deferral Balance (Current Year - 2010)

Account 186280.ED.WA

| | <u>Amount</u> | <u>Journal ID</u> |
|-----------------|-----------------|-------------------|
| Balance 6/30/10 | \$384.00 | |
| Deferral | 0.00 | |
| Interest | 1.00 | 481 - WA ERM |
| Balance 7/31/10 | <u>\$385.00</u> | |

| | |
|------------------------|-----------------|
| Year to date deferrals | \$0.00 |
| Year to date interest | 385.00 |
| Balance in account | <u>\$385.00</u> |

| | <u>Total</u> | <u>Absorbed</u> | <u>Deferred</u> |
|------------------------------------|-----------------------|-----------------------|-----------------|
| First \$4,000,000 at 100% | \$3,846,404.00 | \$3,846,404.00 | \$0.00 |
| \$4,000,000 to \$10,000,000 at 50% | 0.00 | 0.00 | 0.00 |
| Over \$10,000,000 at 10% | 0.00 | 0.00 | 0.00 |
| Total | <u>\$3,846,404.00</u> | <u>\$3,846,404.00</u> | <u>\$0.00</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 | |
| 201006 | USD | 89.00 | | 29,983.00 | |
| 201007 | USD | -29,983.00 | | 0.00 | |
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Journal Details Summary Balances

ERM Deferral Balance (Prior year - 2009)

Account 186290.ED.WA

Balance 6/30/10

Transfer to Account 182350.ED.WA

Balance 7/31/10

| <u>Amount</u> | <u>Journal ID</u> |
|---------------|-------------------|
| \$29,983.00 | |
| -29,983.00 | 481 - WA ERM |
| <u>\$0.00</u> | |

Detail Balances (AWA CORP) - 001.182350.ED.WA.DL

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

| Period | Currency | PTD | PTD Converted | YTD | YTD Converted |
|--------|----------|--------------|---------------|--------------|---------------|
| 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 | |
| 201006 | USD | 1,724.00 | | 554,689.35 | |
| 201007 | USD | 28,296.00 | | 526,393.35 | |
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Journal Details Summary Balances

Recoverable Deferral Balance

Account 182350.ED.WA

Balance 6/30/10
 Transfer from 186290.ED.WA
 Interest
 Balance 7/31/10

Amount

Journal ID

-\$554,689.35
 29,983.00 481 - WA ERM
 -1,687.00 481 - WA ERM
-\$526,393.35

| 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 | 298,508.85 | | 181,931.35 | |
| 201004 | USD | 572.25 | | 182,503.60 | |
| 201005 | USD | 43,782.90 | | 138,720.70 | |
| 201006 | USD | 44,793.00 | | 183,513.70 | |
| 201007 | USD | 590.10 | | 184,103.80 | |
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DFIT Associated with ERM Deferrals
Account 283280.ED.WA

| | |
|-----------------------------------|------------------|
| Account 186280.ED.WA balance | \$385.00 |
| Account 186290.ED.WA balance | 0.00 |
| Account 182350.ED.WA balance | -526,393.35 |
| Total | -526,008.35 |
| Federal income tax rate | -35% |
| Deferred FIT related to deferrals | \$184,103 |
| Rounding | 1 |
| Balance in account | <u>\$184,104</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 | |
| 201006 | USD | 900,210.79 | | 7,693,570.54 | |
| 201007 | USD | 123,337.23 | | 7,570,233.31 | |
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Lancaster Deferral Balance

Account 186312.ED.WA

| | | |
|------------------------|-----------------------|--------------|
| Balance 6/30/10 | \$7,693,570.54 | |
| Deferral | -147,832.83 | 481 - WA ERM |
| Interest | 24,495.60 | 481 - WA ERM |
| Balance 7/31/10 | <u>\$7,570,233.31</u> | |
| Year to date deferrals | \$7,475,174.12 | |
| Year to date interest | 95,059.19 | |
| Balance in account | <u>\$7,570,233.31</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 | |
| 201006 | USD | 315,073.77 | | 2,692,749.69 | |
| 201007 | USD | 43,168.03 | | 2,649,581.66 | |
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DFIT Associated with Lancaster Deferrals

Account 283312.ED.WA

Balance 6/30/10

-\$2,692,749.69

Deferral

43,168.03

Balance 7/31/10

-\$2,649,581.66

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.

| | | | |
|------------------------------------|---------------------|------------------------------------|---------------------|
| Actual cost of debt at 06/30/10 is | 5.935% | Actual cost of debt at 12/31/09 is | 5.601% |
| The monthly rate is | 0.00495 Before Tax | The monthly rate is | 0.00467 Before Tax |
| | 0.0032148 After Tax | | 0.0030339 After Tax |
| | 0.35 Tax rate | | 0.35 Tax rate |

| Account 186280 | | 2010 Interest | | | | | | 0 |
|----------------------------------------|-------------------------------|---------------|----------|----------------------|--------------|--------------|--|--------------|
| | | | | January | DFIT Expense | | | ADFIT |
| 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 | DFIT Expense | | | ADFIT |
| 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 | DFIT Expense | | | ADFIT |
| 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 | DFIT Expense | | | ADFIT |
| 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 | DFIT Expense | | | ADFIT |
| May | ERM Deferral | 126,537 | | Deferral | 44,288 | Operating | | (44,288) |
| May | Interest | | 192 | Interest | 67 | Nonoperating | | (67) |
| 05-31-2010 | Balance before interest | 126,537 | | | 44,355 | Total | | (44,355) |
| | | | | June | DFIT Expense | | | ADFIT |
| June | ERM Deferral | (126,537) | | Deferral | (44,288) | Operating | | 44,288 |
| June | Interest | | 192 | Interest | 67 | Nonoperating | | (67) |
| 06-30-2010 | Balance before interest | 0 | | | (44,221) | Total | | 44,221 |
| 06-30-2010 | GL Balance including interest | 384 | | | | | | ADFIT |
| July | ERM Deferral | 0 | | Deferral | 0 | Operating | | 0 |
| July | Interest | | 1 | Interest | 0 | Nonoperating | | 0 |
| 07-31-2010 | Balance before interest | 384 | | | 0 | Total | | 0 |
| GL Balance | | 384 | 1 | ADFIT Balance | | | | (134) |
| Update ERM balance to include Interest | | | 385 | | | | | (135) |
| | | | | | | 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 06/30/10 is | | 5.935% | | Actual cost of debt at 12/31/09 is 5.601% | | |
| The monthly rate is | | 0.00495 Before Tax | | The monthly rate is | | 0.00467 Before Tax |
| | | 0.0032148 After Tax | | | | 0.0030339 After Tax |
| | | 0.35 Tax rate | | | | 0.35 Tax rate |
| Account 186290 | | | | | | |
| | | | 2010 Interest | | | |
| | | | | | (\$10,307) | |
| 01-31-2010 | Transfer from 186280 | \$29,449 | | | | |
| 01-31-2010 | GL Balance including interest | \$29,449 | | January | DFIT Expense | ADFIT |
| January | Interest | | 89 | Interest | 31 Nonoperating | (31) |
| 01-31-2010 | Balance before interest | 29,449 | | | 31 Total | (31) |
| | | | | | February | |
| | | | | | DFIT Expense | |
| | | | | | ADFIT | |
| February | Interest | | 89 | Interest | 31 Nonoperating | (31) |
| 02-28-2010 | Balance before interest | 29,449 | | | 31 Total | (31) |
| | | | | | March | |
| | | | | | DFIT Expense | |
| | | | | | ADFIT | |
| March | Interest | | 89 | Interest | 31 Nonoperating | (31) |
| 03-31-2010 | Balance before interest | 29,449 | | | 31 Total | (31) |
| | | | | | April | |
| | | | | | DFIT Expense | |
| | | | | | ADFIT | |
| April | Interest | | 89 | Deferral | 31 Nonoperating | (31) |
| 04-30-2010 | Balance before interest | 29,449 | | Interest | 31 Total | (31) |
| | | | | | May | |
| | | | | | DFIT Expense | |
| | | | | | ADFIT | |
| May | Interest | | 89 | Deferral | 31 Nonoperating | (31) |
| 05-31-2010 | Balance before interest | 29,449 | | Interest | 31 Total | (31) |
| | | | | | June | |
| | | | | | DFIT Expense | |
| | | | | | ADFIT | |
| June | Interest | | 89 | Deferral | 31 Nonoperating | (31) |
| 06-30-2010 | Balance before interest | 29,449 | | Interest | 31 Total | (31) |
| | | | | | July | |
| | | | | | DFIT Expense | |
| | | | | | ADFIT | |
| 06-30-2010 | GL Balance including interest | 29,983 | | Deferral | | |
| 06-30-2010 | ERM Transfer to 182350 | (29,983) | | Interest | 0 Nonoperating | 0 |
| July | Interest | | 0 | Interest | 0 Total | 0 |
| 07-31-2010 | Balance before interest | 0 | | | | |
| | | | | | ADFIT Balance | |
| | | | | | 0 | |
| | | | | | 0 | |
| | | | | | 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 06/30/10 is | | 5.935% | | Actual cost of debt at 12/31/09 is 5.601% | | |
| The monthly rate is | | 0.00495 Before Tax | | The monthly rate is | | |
| | | 0.0032148 After Tax | | 0.00467 Before Tax | | |
| | | 0.35 Tax rate | | 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 |
| | | | | June | DFIT Expense | ADFIT |
| June | Surcharge Amortization | 0 | | Amortization | 0 | Operating 0 |
| June | Interest | | (1,724) | Interest | (603) | Nonoperating 603 |
| 06-30-2010 | Balance before interest | (568,122) | | | (603) | Total 603 |
| 06-30-2010 | Transfer from 186290 | 29,983 | ✓ | | | |
| 06-30-2010 | GL Balance including interest | (554,689) | ✓ | July | DFIT Expense | ADFIT |
| July | Surcharge Amortization | 0 | | Amortization | 0 | Operating 0 |
| July | Interest | | (1,687) | Interest | (590) | Nonoperating 590 |
| 07-31-2010 | Balance before interest | (524,706) | | | (590) | Total 590 |
| | GL Balance | (524,706) | ✓ | (1,687) | ADFIT Balance | 184,238 |
| | Update ERM balance to include Interest | | | (526,393) | | 184,238 |
| | | | | | Check | 0 |

WASHINGTON POWER COST DEFERRALS

| Line No. | 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 | Ac Nov | Actual Dec-10 |
|-----------------------------------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| WASHINGTON ACTUALS-2010 | | | | | | | | | | | | |
| | \$ 27,578,538 | \$ 21,956,855 | \$ 25,184,921 | \$ 20,716,095 | \$ 15,881,784 | \$ 15,375,006 | \$ 25,373,112 | \$ - | \$ - | \$ - | \$ - | \$ 6 |
| 1 555 Purchased Power | \$ (21,945,079) | \$ (20,327,333) | \$ (24,141,469) | \$ (22,466,280) | \$ (14,727,104) | \$ (16,665,614) | \$ (27,918,321) | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2 447 Sale for Resale | \$ 2,836,182 | \$ 1,496,446 | \$ 1,659,909 | \$ 2,384,741 | \$ 1,837,053 | \$ 1,175,243 | \$ 2,355,542 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 3 501 Thermal Fuel | \$ 11,571,418 | \$ 13,318,138 | \$ 14,036,748 | \$ 10,882,168 | \$ 3,845,423 | \$ 1,208,714 | \$ 8,068,985 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 4 547 CT Fuel | \$ (826,994) | \$ (879,901) | \$ (832,640) | \$ (838,603) | \$ (925,457) | \$ (1,163,685) | \$ (1,053,480) | \$ - | \$ - | \$ - | \$ - | \$ - |
| 5 456 Transmission Revenue | \$ 1,550,661 | \$ 1,536,283 | \$ 1,542,335 | \$ 1,414,313 | \$ 1,422,648 | \$ 1,412,326 | \$ 1,471,084 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 6 565 Transmission Expense | \$ 9,775 | \$ 14,845 | \$ 37,731 | \$ 27,809 | \$ 16,574 | \$ 27,124 | \$ 32,407 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 7 557 Broker Fees | \$ (1,607,483) | \$ (1,501,556) | \$ (1,204,807) | \$ (1,548,768) | \$ (1,656,025) | \$ (1,569,928) | \$ (1,615,423) | \$ - | \$ - | \$ - | \$ - | \$ - |
| 8 Less Clearwater 62 aMW directly to ID | \$ (1,888,355) | \$ (1,897,393) | \$ (2,042,853) | \$ (2,335,010) | \$ (2,278,548) | \$ (1,359,988) | \$ 228,879 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 9 Less Lancaster Costs | \$ 17,278,683 | \$ 13,716,384 | \$ 14,279,875 | \$ 8,236,465 | \$ 3,216,348 | \$ (1,560,802) | \$ 6,942,785 | \$ - | \$ - | \$ - | \$ - | \$ 6 |
| 10 Adjusted Actual Net Expense | \$ 137,692,341 | \$ 12,897,456 | \$ 11,682,410 | \$ 7,998,568 | \$ 6,149,064 | \$ 6,111,275 | \$ 6,773,651 | \$ 10,857,423 | \$ 10,015,284 | \$ 15,519,822 | \$ 16,179,987 | \$ 18,433,441 |
| AUTHORIZED NET EXPENSE-SYSTEM | | | | | | | | | | | | |
| 11 555 Purchased Power | \$ (68,401,047) | \$ (4,550,958) | \$ (5,932,502) | \$ (6,551,566) | \$ (7,940,080) | \$ (9,152,696) | \$ (7,894,813) | \$ (2,103,541) | \$ (2,532,204) | \$ (4,665,449) | \$ (6,332,802) | \$ (5,816,201) |
| 12 447 Sale for Resale | \$ 29,450,717 | \$ 1,780,141 | \$ 1,773,091 | \$ 1,588,061 | \$ 1,043,804 | \$ 1,080,518 | \$ 2,694,668 | \$ 2,871,913 | \$ 2,780,935 | \$ 1,758,988 | \$ 3,028,031 | \$ 3,112,321 |
| 13 501 Thermal Fuel | \$ 67,467,440 | \$ 6,305,838 | \$ 6,422,918 | \$ 4,282,362 | \$ 2,067,085 | \$ 2,537,379 | \$ 5,825,553 | \$ 6,486,686 | \$ 6,038,611 | \$ 6,772,214 | \$ 7,135,498 | \$ 7,552,906 |
| 14 547 CT Fuel | \$ (9,478,683) | \$ (691,030) | \$ (637,319) | \$ (695,003) | \$ (811,018) | \$ (1,144,190) | \$ (1,060,504) | \$ (894,674) | \$ (729,456) | \$ (749,649) | \$ (712,323) | \$ (642,930) |
| 15 456 Transmission Revenue | \$ 14,021,257 | \$ 1,166,750 | \$ 1,166,750 | \$ 1,166,750 | \$ 1,166,750 | \$ 1,166,750 | \$ 1,166,750 | \$ 1,187,007 | \$ 1,166,750 | \$ 1,166,750 | \$ 1,166,750 | \$ 1,166,750 |
| 16 565 Transmission Expense | \$ 104,004 | \$ 8,667 | \$ 8,667 | \$ 8,667 | \$ 8,667 | \$ 8,667 | \$ 8,667 | \$ 8,667 | \$ 8,667 | \$ 8,667 | \$ 8,667 | \$ 8,667 |
| 17 557 Broker Fees | \$ 167,856,019 | \$ 16,705,319 | \$ 14,410,727 | \$ 7,793,839 | \$ 1,694,272 | \$ 587,713 | \$ 7,514,172 | \$ 18,413,491 | \$ 16,759,587 | \$ 19,811,141 | \$ 20,473,786 | \$ 24,014,954 |
| 18 Authorized Net Expense | \$ (2,409,335) | \$ (2,988,935) | \$ (130,852) | \$ 442,826 | \$ 1,532,076 | \$ (2,148,515) | \$ (571,387) | \$ (18,413,491) | \$ (16,759,587) | \$ (19,811,141) | \$ (20,473,786) | \$ (24,014,954) |
| 19 Actual - Authorized Net Expense | \$ 2,819,126 | \$ (2,409,335) | \$ (2,409,335) | \$ (2,409,335) | \$ (2,409,335) | \$ (2,409,335) | \$ (2,409,335) | \$ (2,409,335) | \$ (2,409,335) | \$ (2,409,335) | \$ (2,409,335) | \$ (2,409,335) |
| 20 Resource Optimization | \$ (102,927,149) | \$ (2,649,900) | \$ (3,143,113) | \$ 908,049 | \$ 1,473,778 | \$ (1,610,292) | \$ 290,580 | \$ (18,443,251) | \$ (16,787,387) | \$ (19,840,901) | \$ (20,502,820) | \$ (24,044,714) |
| 21 Adjusted Net Expense | \$ (66,480,645) | \$ (1,711,570) | \$ (2,030,137) | \$ 586,509 | \$ 918,872 | \$ (51,913) | \$ 187,686 | \$ (11,912,496) | \$ (10,842,973) | \$ (12,815,238) | \$ (13,242,642) | \$ (15,530,481) |
| 22 Washington Allocation @ 64.59% | \$ 2,819,126 | \$ 2,819,126 | \$ 2,819,126 | \$ 2,819,126 | \$ 2,819,126 | \$ 2,819,126 | \$ 2,819,126 | \$ 2,819,126 | \$ 2,819,126 | \$ 2,819,126 | \$ 2,819,126 | \$ 2,819,126 |
| 23 WA Retail Revenue Adj. (+) Surcharge (-) | \$ 5,983,219 | \$ 5,983,219 | \$ 5,983,219 | \$ 5,983,219 | \$ 5,983,219 | \$ 5,983,219 | \$ 5,983,219 | \$ 5,983,219 | \$ 5,983,219 | \$ 5,983,219 | \$ 5,983,219 | \$ 5,983,219 |
| 24 Net Power Cost (+) Surcharge (-) Rebate \$ | \$ 3,846,404 | \$ 3,846,404 | \$ 3,846,404 | \$ 3,846,404 | \$ 3,846,404 | \$ 3,846,404 | \$ 3,846,404 | \$ 3,846,404 | \$ 3,846,404 | \$ 3,846,404 | \$ 3,846,404 | \$ 3,846,404 |
| 25 Cumulative Balance | \$ 1,284,866 | \$ 719,496 | \$ 1,157,159 | \$ 2,245,802 | \$ 4,253,074 | \$ 2,773,143 | \$ 3,846,404 | \$ 3,846,404 | \$ 3,846,404 | \$ 3,846,404 | \$ 3,846,404 | \$ 3,846,404 |

| Line No. | 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 | Actual Dec-10 |
|----------|------------------|-----------------|-----------------|-----------------|------------------|----------------|-----------------|-----------------|-----------------|------------------|-----------------|-----------------|
| 1 | \$ 151,866,317 | \$ 148,191,200 | \$ 13,785,116 | \$ 62,931,594 | \$ 66,520,760 | \$ 110,349,670 | \$ 166,265 | \$ 10,703,990 | \$ 11,573,268 | \$ 62,109,744 | \$ 137,692,341 | \$ 12,897,456 |
| 2 | \$ (148,191,200) | \$ (13,785,116) | \$ (62,931,594) | \$ (66,520,760) | \$ (110,349,670) | \$ (166,265) | \$ (10,703,990) | \$ (11,573,268) | \$ (62,109,744) | \$ (137,692,341) | \$ (12,897,456) | \$ (12,897,456) |
| 3 | \$ 13,785,116 | \$ 62,931,594 | \$ 66,520,760 | \$ 110,349,670 | \$ 166,265 | \$ 10,703,990 | \$ 11,573,268 | \$ 62,109,744 | \$ 137,692,341 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 |
| 4 | \$ 62,931,594 | \$ 66,520,760 | \$ 110,349,670 | \$ 166,265 | \$ 10,703,990 | \$ 11,573,268 | \$ 62,109,744 | \$ 137,692,341 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 |
| 5 | \$ 66,520,760 | \$ 110,349,670 | \$ 166,265 | \$ 10,703,990 | \$ 11,573,268 | \$ 62,109,744 | \$ 137,692,341 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 |
| 6 | \$ 110,349,670 | \$ 166,265 | \$ 10,703,990 | \$ 11,573,268 | \$ 62,109,744 | \$ 137,692,341 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 |
| 7 | \$ 166,265 | \$ 10,703,990 | \$ 11,573,268 | \$ 62,109,744 | \$ 137,692,341 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 |
| 8 | \$ 10,703,990 | \$ 11,573,268 | \$ 62,109,744 | \$ 137,692,341 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 |
| 9 | \$ 11,573,268 | \$ 62,109,744 | \$ 137,692,341 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 |
| 10 | \$ 62,109,744 | \$ 137,692,341 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 |
| 11 | \$ 137,692,341 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 |
| 12 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 |
| 13 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 |
| 14 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 |
| 15 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 |
| 16 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 |
| 17 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 |
| 18 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 |
| 19 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 |
| 20 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 |
| 21 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 |
| 22 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 |
| 23 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 |
| 24 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 |
| 25 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 | \$ 12,897,456 |

check # should be zero

Deferral %

Surch

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Mar

Apr

May

Jun

Jul

Aug

Sep

Oct

Nov

Dec

Company Band Gross Margin Impact, Cumulative

System Power Supply Expenses
 WASHINGTON DEFERRED POWER COST CALCULATION

| Line No. | 744 Jan-10 | 672 Feb-10 | 743 Mar-10 | 720 Apr-10 | 744 May-10 | 720 Jun-10 | 744 Jul-10 | 720 Aug-10 | 744 Sep-10 | 720 Oct-10 | 744 Nov-10 | 720 Dec-10 |
|----------------------------|------------|------------|------------|-------------|------------|------------|------------|------------|------------|------------|------------|------------|
| 555 PURCHASED POWER | | | | | | | | | | | | |
| 1 | 15,290,049 | 10,326,278 | 14,911,423 | 11,428,040 | 6,332,708 | 5,970,077 | 15,987,997 | | | | | |
| 2 | 126,518 | 147,131 | 126,519 | 129,276 | 148,152 | 441,963 | 137,083 | | | | | |
| 3 | 1,072,817 | 1,072,817 | 1,072,817 | 1,072,817 | 1,072,817 | 1,072,817 | 1,072,817 | | | | | |
| 4 | 495,789 | 495,789 | 495,739 | (1,072,104) | 495,758 | 495,741 | 495,757 | | | | | |
| 5 | 412,573 | 391,128 | 403,465 | 522,338 | 542,864 | 455,032 | 534,177 | | | | | |
| 6 | 4,787 | 4,383 | 9,482 | 18,981 | 80,806 | 145,156 | 77,967 | | | | | |
| 7 | 3,336,528 | 3,014,892 | 1,647,260 | 1,595,345 | 407 | 325 | 462 | | | | | |
| 8 | 750 | 633 | 424 | 366 | 407 | 325 | 462 | | | | | |
| 9 | 102,840 | 98,742 | 107,879 | 100,839 | 90,925 | 119,839 | 115,432 | | | | | |
| 10 | 191,541 | 174,642 | 136,850 | 86,815 | 144,509 | 133,768 | 208,331 | | | | | |
| 11 | 142,850 | 147,266 | 148,675 | 280,802 | 294,239 | 283,367 | 113,856 | | | | | |
| 12 | 97,828 | 73,237 | 105,000 | 157,500 | 175,000 | 192,500 | 192,500 | | | | | |
| 13 | 161,820 | 146,160 | 161,820 | | | | 161,820 | | | | | |
| 14 | 576,600 | 520,800 | 575,825 | 558,000 | 576,600 | 558,000 | 576,600 | | | | | |
| 15 | 572,880 | 517,440 | 572,110 | 554,400 | 572,880 | 554,400 | 572,880 | | | | | |
| 16 | 565,440 | 510,720 | 564,680 | 547,200 | 565,440 | 547,200 | 565,440 | | | | | |
| 17 | 641,700 | 579,600 | 640,838 | 621,000 | 641,700 | 621,000 | 641,700 | | | | | |
| 18 | 171,983 | 91,357 | 232,739 | 461,934 | 330,671 | 94,557 | 261,579 | | | | | |
| 19 | | | | | | | | | | | | |
| 20 | 1,999,713 | 2,090,908 | 2,060,465 | 2,056,619 | 1,819,672 | 1,747,806 | 2,008,153 | | | | | |
| 21 | 1,607,483 | 1,501,556 | 1,204,807 | 1,548,768 | 1,656,026 | 1,569,928 | 1,615,423 | | | | | |
| 22 | 59,647 | 51,550 | 51,318 | 50,507 | 49,729 | 46,040 | 51,970 | | | | | |
| 23 | (53,210) | (174) | (43,214) | (3,348) | 80,882 | (6,994) | (18,832) | | | | | |
| 24 | 27,578,538 | 21,958,855 | 25,184,921 | 20,716,095 | 15,661,784 | 15,375,006 | 25,373,112 | | | | | |
| 25 | | | | | | | | | | | | |
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(1) Effective November, 2008, WNP-3 purchase expense has been adjusted to reflect the mid-point price, \$39.38/MWh for the 2008-09 contract year.
 per Settlement Agreement, Cause No. U-86-98

| Line No. | 744 Jan-10 | 672 Feb-10 | 743 Mar-10 | 720 Apr-10 | 744 May-10 | 720 Jun-10 | 744 Jul-10 | 720 Aug-10 | 744 Sep-10 | 720 Oct-10 | 744 Nov-10 | 720 Dec-10 |
|----------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| 555 PURCHASED POWER | | | | | | | | | | | | |
| 1 | 17,444,834 | 12,650,694 | 10,956,388 | 9,418,135 | 9,097,802 | 6,215,601 | 10,447,630 | | | | | |
| 2 | 472,019 | 565,095 | 968,313 | 7,298,918 | 2,973,400 | 5,802,701 | 9,462,770 | | | | | |
| 3 | 5,423,087 | 4,651,920 | 9,614,648 | 2,056,619 | 1,819,672 | 1,747,806 | 2,008,153 | | | | | |
| 4 | 1,999,713 | 2,090,908 | 2,060,465 | 1,819,672 | 1,747,806 | 1,569,928 | 2,008,153 | | | | | |
| 5 | 113,078 | 82,764 | 119,477 | 103,740 | 14,274 | (76) | 68,359 | | | | | |
| 6 | 1,607,483 | 1,501,556 | 1,204,807 | 1,548,768 | 1,656,026 | 1,569,928 | 1,615,423 | | | | | |
| 7 | 59,647 | 51,550 | 51,318 | 50,507 | 49,729 | 46,040 | 51,970 | | | | | |
| 8 | (63,210) | (174) | (43,214) | (3,348) | 80,882 | (6,994) | (18,832) | | | | | |
| 9 | 511,887 | 482,542 | 252,721 | 244,756 | 80,882 | (6,994) | (18,832) | | | | | |
| 10 | 27,578,538 | 21,958,855 | 25,184,921 | 20,716,095 | 15,661,784 | 15,375,006 | 25,373,112 | | | | | |
| 11 | | | | | | | | | | | | |
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| Line No. | 744 Jan-10 | 672 Feb-10 | 743 Mar-10 | 720 Apr-10 | 744 May-10 | 720 Jun-10 | 744 Jul-10 | 720 Aug-10 | 744 Sep-10 | 720 Oct-10 | 744 Nov-10 | 720 Dec-10 |
|-----------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| 447 SALES FOR RESALE | | | | | | | | | | | | |
| 25 | 16,190,817 | 15,281,527 | 19,288,101 | 17,683,400 | 9,944,186 | 13,136,728 | 23,131,207 | | | | | |
| 26 | 145,955 | 146,345 | 144,955 | 146,085 | 145,955 | 145,150 | 146,085 | | | | | |
| 27 | 166,011 | 167,422 | 158,701 | 150,180 | 129,519 | 46,049 | 144,562 | | | | | |
| 28 | 37,655 | 9,862 | 6,726 | 6,608 | 6,784 | 6,289 | 6,289 | | | | | |
| 29 | 312,420 | 312,420 | 312,400 | 312,420 | 37,587 | 29,425 | 35,786 | | | | | |
| 30 | 99,700 | 33,600 | 125,000 | 62,500 | 52,500 | 114,300 | 216,555 | | | | | |
| 31 | 2,958,559 | 2,621,601 | 2,431,744 | 2,282,805 | 2,137,745 | 1,438,498 | 2,329,919 | | | | | |
| 32 | 2,024,100 | 1,725,703 | 1,639,844 | 1,810,996 | 2,158,528 | 1,698,498 | 1,907,918 | | | | | |
| 33 | 21,945,079 | 20,327,333 | 24,141,469 | 22,466,280 | 14,727,104 | 16,665,614 | 27,918,321 | | | | | |
| 34 | | | | | | | | | | | | |

| Line No. | 744 Jan-10 | 672 Feb-10 | 743 Mar-10 | 720 Apr-10 | 744 May-10 | 720 Jun-10 | 744 Jul-10 | 720 Aug-10 | 744 Sep-10 | 720 Oct-10 | 744 Nov-10 | 720 Dec-10 |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|------------|------------|------------|------------|
| 447 SALES FOR RESALE | | | | | | | | | | | | |
| 447000 | 13,588,301 | 13,371,604 | 11,379,421 | 12,590,881 | 9,301,004 | 6,725,175 | 12,638,000 | | | | | |
| 447100 | (57,542) | | (50,769) | (82,316) | (61,362) | (1,278,558) | (1,510,107) | | | | | |
| 447200 | (26,064) | 2,184 | (14,955) | (19,013) | (9,613) | (6,813) | (63,238) | | | | | |
| 447300 | (6,268,072) | (5,232,210) | (11,056,480) | (7,963,074) | (3,181,234) | (7,955,772) | (11,839,087) | | | | | |
| 447400 | (2,024,100) | (1,725,703) | (1,639,844) | (1,810,996) | (2,158,528) | (1,698,498) | (1,907,919) | | | | | |
| 447720 | (21,945,079) | (20,327,333) | (24,141,469) | (22,466,280) | (14,727,104) | (16,665,614) | (27,918,321) | | | | | |

System Power Supply Expenses
 WASHINGTON DEFERRED POWER COST CALCULATION

| Line No. | 744 Jan-10 | 672 Feb-10 | 743 Mar-10 | 720 Apr-10 | 744 May-10 | 720 Jun-10 | 744 Jul-10 | 720 Aug-10 | 744 Sep-10 | 720 Oct-10 | 744 Nov-10 | 720 Dec-10 |
|------------------------------|-------------------|-------------|-------------|-------------|-------------|--------------|--------------|------------|------------|------------|------------|------------|
| 501 FUEL-DOLLARS | | | | | | | | | | | | |
| 35 | 1,109,279 | 910,489 | 1,066,512 | 922,937 | 516,654 | 21,431 | 724,879 | | | | | |
| 36 | 1,893,791 | 579,261 | 637,374 | 1,452,034 | 1,291,201 | 1,140,233 | 1,608,350 | | | | | |
| 37 | 2,803,070 | 1,489,750 | 1,695,886 | 2,374,971 | 1,807,755 | 1,161,664 | 2,333,229 | | | | | |
| | 13,411 | 2,999 | 3,370 | (144) | 2,595 | 1,859 | 3,449 | | | | | |
| 38 | 19,701 | 3,697 | 653 | 9,914 | 28,703 | 11,720 | 18,864 | | | | | |
| 39 | 33,112 | 6,866 | 4,023 | 9,770 | 29,288 | 13,579 | 22,313 | | | | | |
| 40 | 2,836,182 | 1,496,446 | 1,699,909 | 2,384,741 | 1,837,053 | 1,175,243 | 2,355,542 | | | | | |
| 41 | Total Account 501 | | | | | | | | | | | |
| 42 | 46,567 | 39,984 | 47,417 | 41,305 | 22,135 | 309 | 30,299 | | | | | |
| 43 | 89,855 | 93,849 | 99,189 | 91,378 | 93,929 | 55,908 | 92,408 | | | | | |
| 501 FUEL-COST PER TON | | | | | | | | | | | | |
| 44 | 23.82 | 22.77 | 22.32 | 22.34 | 23.34 | 69.36 | 23.92 | | | | | |
| 45 | 16.95 | 6.17 | 6.43 | 15.89 | 13.75 | 20.39 | 17.41 | | | | | |
| 547 FUEL | | | | | | | | | | | | |
| 46 | 36,372 | 3,611 | 127 | (2,068) | (1,827) | 5,633 | 3,215 | | | | | |
| 47 | 328 | 1,043 | 7,868 | 98,427 | 13,293 | 38,357 | 82,302 | | | | | |
| 48 | 509 | 13 | 750 | 44,007 | (204) | (387) | 25,777 | | | | | |
| 49 | 6,498,607 | 8,881,120 | 7,471,483 | 5,606,641 | 2,720,401 | 645,470 | 4,401,844 | | | | | |
| 50 | 4,854,949 | 5,988,218 | 6,052,732 | 4,597,178 | 636,696 | 7,886 | 3,016,335 | | | | | |
| 51 | 480,462 | 463,223 | 502,312 | 488,485 | 478,114 | 477,761 | 489,740 | | | | | |
| 52 | (1,807) | 910 | 1,648 | 51,468 | (950) | 33,774 | 80,772 | | | | | |
| 53 | 11,571,418 | 13,318,138 | 14,036,748 | 10,882,168 | 3,845,423 | 1,208,714 | 8,088,985 | | | | | |
| 54 | 20,041,058 | 16,444,106 | 16,780,109 | 11,516,724 | 6,637,156 | 1,093,349 | 7,878,318 | | | | | |
| 55 | TOTAL NET EXPENSE | | | | | | | | | | | |
| 456 TRANSMISSION REV | | | | | | | | | | | | |
| 56 | (826,994) | (879,901) | (832,640) | (638,603) | (925,457) | (1,163,685) | (1,053,480) | | | | | |
| 57 | (826,994) | (879,901) | (832,640) | (638,603) | (925,457) | (1,163,685) | (1,053,480) | | | | | |
| 585 TRANSMISSION EXP | | | | | | | | | | | | |
| 58 | 1,173,401 | 1,162,103 | 1,171,955 | 1,037,033 | 1,046,388 | 1,026,761 | 1,095,834 | | | | | |
| 59 | 375,250 | 382,160 | 368,350 | 375,250 | 376,250 | 376,250 | 375,250 | | | | | |
| 60 | 2,030 | 2,030 | 2,030 | 2,030 | 2,030 | 11,315 | | | | | | |
| 61 | 1,550,681 | 1,538,283 | 1,542,335 | 1,414,313 | 1,422,648 | 1,412,326 | 1,471,084 | | | | | |
| 62 | 9,775 | 14,845 | 37,731 | 27,808 | 16,574 | 27,124 | 32,407 | | | | | |
| RESOURCE OPTIMIZATION | | | | | | | | | | | | |
| 63 | 7,867,480 | 5,864,736 | 9,229,431 | 9,954,850 | 8,106,504 | 11,080,716 | 16,438,111 | | | | | |
| 64 | | | | 219,013 | | | 2,371,525 | | | | | |
| 65 | | | | | | | (52,820) | | | | | |
| 66 | | | | (8,975,097) | (8,184,802) | (10,455,080) | (15,355,422) | | | | | |
| 67 | (6,108,056) | (5,814,914) | (8,188,881) | (218,780) | | | (2,409,575) | | | | | |
| 68 | (240,565) | (150,178) | 1,040,550 | 979,998 | (56,298) | 646,504 | 988,568 | | | | | |
| 69 | | | | | | (108,525) | (128,601) | | | | | |
| 70 | | | | | | | | | | | | |
| 71 | 29,760 | 26,880 | 29,720 | 28,800 | 29,760 | 28,800 | 29,760 | | | | | |
| 72 | 29,760 | 26,880 | 29,071 | 28,800 | 28,760 | 29,044 | 29,760 | | | | | |
| 73 | | | (1,649) | | | 244 | | | | | | |
| 74 | (240,565) | (154,178) | 1,038,901 | 979,998 | (56,298) | 538,223 | 861,967 | | | | | |
| 75 | 16,981,155 | 18,566,436 | 13,100,239 | 7,092,823 | 1,807,337 | 9,191,296 | (28,854) | | | | | |
| Adjusted 2010 Net Expense | | | | | | | | | | | | |
| 76 | | | | | | | | | | | | |
| 77 | | | | | | | | | | | | |
| 78 | | | | | | | | | | | | |
| 79 | | | | | | | | | | | | |
| 80 | | | | | | | | | | | | |
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| 95 | | | | | | | | | | | | |
| 96 | | | | | | | | | | | | |
| 97 | | | | | | | | | | | | |
| 98 | | | | | | | | | | | | |
| 99 | | | | | | | | | | | | |
| 100 | | | | | | | | | | | | |

System Power Supply Expenses
 WASHINGTON LANCASTER POWER COST DEFERRALS

| Line No. | Account | Jan-10 | Feb-10 | Mar-10 | Apr-10 | May-10 | Jun-10 | Jul-10 | Aug-10 | Sep-10 | Oct-10 | Nov-10 | Dec-10 |
|----------|-------------------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|------------------|------------------|------------------|------------------|
| | | 201001 | 201002 | 201003 | 201004 | 201005 | 201006 | 201007 | 201008 | 201009 | 201010 | 201011 | 201012 |
| 1 | Power Purchase Agreements | | | | | | | | | | | | |
| 2 | Capacity | \$ 1,292,488.41 | \$ 1,277,284.27 | \$ 1,281,766.33 | \$ 1,265,062.76 | \$ 1,287,875.21 | \$ 1,287,976.65 | \$ 1,366,479.26 | | | | | |
| 3 | Fixed O&M | \$ 457,879.13 | \$ 463,487.15 | \$ 460,812.30 | \$ 461,845.58 | \$ 461,845.58 | \$ 461,845.58 | \$ 473,781.36 | | | | | |
| 4 | Variable O&M | \$ 218,443.06 | \$ 308,733.87 | \$ 325,201.60 | \$ 282,183.19 | \$ 44,312.88 | \$ - | \$ 167,892.50 | | | | | |
| 5 | Heat Rate/Imbalance | \$ 29,802.06 | \$ 41,392.38 | \$ (6,121.87) | \$ 28,530.70 | \$ - | \$ (2,016.48) | \$ - | | | | | |
| 6 | Startup | \$ 1,999,712.66 | \$ 2,030,907.67 | \$ 2,060,465.22 | \$ 2,056,616.95 | \$ 1,819,671.54 | \$ 1,747,806.24 | \$ 2,008,153.12 | | | | | |
| | Total | \$ 13,765,335.40 | \$ 13,765,335.40 | \$ 13,765,335.40 | \$ 13,765,335.40 | \$ 13,765,335.40 | \$ 13,765,335.40 | \$ 13,765,335.40 | | | | | |
| 7 | Fuel Supply | | | | | | | | | | | | |
| | Forward & Bal Gas | \$ 4,636,602.43 | \$ 5,929,971.37 | \$ 6,616,426.57 | \$ 6,661,452.16 | \$ 6,661,452.16 | \$ 193,617.45 | \$ 3,126,171.13 | | | | | |
| | | \$ 846,238 | \$ 1,141,108 | \$ 1,141,108 | \$ 1,057,084 | \$ 1,057,084 | \$ 32 | \$ 646,696 | | | | | |
| | | \$ 5.48 | \$ 5.20 | \$ 5.42 | \$ 5.36 | \$ 5.36 | \$ 3.80 | \$ 4.84 | | | | | |
| | | \$ 480,462.17 | \$ 463,223.41 | \$ 502,311.55 | \$ 488,484.50 | \$ 478,114.27 | \$ 477,760.87 | \$ 498,740.49 | | | | | |
| 8 | Gas Transmission | | | | | | | | | | | | |
| | 547313 GL | \$ 3,389,097.25 | \$ 382,150.00 | \$ 368,350.00 | \$ 375,250.00 | \$ 375,250.00 | \$ 375,250.00 | \$ 375,250.00 | | | | | |
| 9 | Transmission Expenses | | | | | | | | | | | | |
| | Demand | \$ 2,626,750.00 | \$ 119,078.41 | \$ 119,476.85 | \$ 103,738.76 | \$ 14,274.08 | \$ (75.92) | \$ 66,358.82 | | | | | |
| | Reserves/EI/CI | \$ 501,616.02 | \$ 218,443.06 | \$ (14,954.57) | \$ (19,073.39) | \$ (24,985.79) | \$ (8,612.69) | \$ (23,239.29) | | | | | |
| | Reserves/EI/CI | \$ (115,685.19) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | | | | |
| | FTC | \$ 3,012,660.83 | \$ 462,284.54 | \$ 467,096.43 | \$ 472,872.28 | \$ 459,976.37 | \$ 365,561.39 | \$ 420,369.53 | | | | | |
| | Total | \$ 3,012,660.83 | \$ 462,284.54 | \$ 467,096.43 | \$ 472,872.28 | \$ 459,976.37 | \$ 365,561.39 | \$ 420,369.53 | | | | | |
| 10 | Transmission Purchases | | | | | | | | | | | | |
| | Hourly | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | | | | |
| 11 | Station Services | | | | | | | | | | | | |
| | Hourly | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | | | | |
| 12 | Station Services | | | | | | | | | | | | |
| | Hourly | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | | | | |
| 13 | Station Services | | | | | | | | | | | | |
| | Hourly | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | | | | |
| 14 | Station Services | | | | | | | | | | | | |
| | Hourly | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | | | | |
| 15 | Station Services | | | | | | | | | | | | |
| | Hourly | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | | | | |
| 16 | TOTAL LANCASTER EXPENSE | \$ 35,253.90 | \$ 20,650.06 | \$ 456.50 | \$ 2,676.10 | \$ 6,128.30 | \$ 35,209.66 | \$ 16,071.68 | \$ 14,757.60 | | | | |
| | | \$ 47,103,203.15 | \$ 47,103,203.15 | \$ 47,103,203.15 | \$ 47,103,203.15 | \$ 47,103,203.15 | \$ 47,103,203.15 | \$ 47,103,203.15 | | | | | |
| 17 | LANCASTER REVENUE | | | | | | | | | | | | |
| | Power Value | | | | | | | | | | | | |
| | Forward Power P&S | \$ 24,898,030.92 | \$ 3,617,600.00 | \$ 7,622,075.00 | \$ 5,654,820.16 | \$ - | \$ 1,389,320.30 | \$ 6,089,215.46 | | | | | |
| | Balancing Power | \$ (3,855,884.60) | \$ (1,056,020.30) | \$ (499,382.57) | \$ (832,008.68) | \$ - | \$ (350,013.33) | \$ (1,906,745.37) | | | | | |
| | Balancing Power | \$ 12,729,356.99 | \$ 3,051,155.31 | \$ 6,348,552.59 | \$ 269,986.83 | \$ 1,103,789.82 | \$ 763,797.73 | \$ 5,923,565.27 | | | | | |
| | Total | \$ 33,771,503.31 | \$ 5,613,735.01 | \$ 6,972,616.17 | \$ 6,125,603.10 | \$ 763,797.73 | \$ 1,039,306.97 | \$ 5,923,565.27 | | | | | |
| | | \$ 116,960 | \$ 171,538 | \$ 147,947 | \$ 23,305 | \$ 23,305 | \$ 23,305 | \$ 88,015 | | | | | |
| | | \$ 48.00 | \$ 42.84 | \$ 43.10 | \$ 41.41 | \$ 32.77 | \$ 32.77 | \$ 67.30 | | | | | |
| | | \$ 20,624.20 | \$ 233.82 | \$ 9,616.11 | \$ 14,023.20 | \$ 123,435.31 | \$ 208,268.21 | \$ 117,117.84 | | | | | |
| 18 | Gas Transmission | | | | | | | | | | | | |
| | (666)NUCUT | \$ (28,497,672.57) | \$ (2,944,965.05) | \$ (3,368,473.31) | \$ (3,008,720.10) | \$ (3,191,124.34) | \$ (4,154,731.10) | \$ (8,072,753.85) | | | | | |
| | | \$ 29,784,879.22 | \$ 3,021,468.02 | \$ 3,888,269.24 | \$ 3,577,775.38 | \$ 3,206,537.82 | \$ 4,350,185.87 | \$ 8,335,141.43 | | | | | |
| | | \$ 1,267,008.65 | \$ 76,432.97 | \$ 141,414.45 | \$ 209,302.07 | \$ 184,147.12 | \$ 185,454.77 | \$ 282,387.58 | | | | | |
| 19 | TOTAL LANCASTER REVENUE | \$ 35,253.90 | \$ 20,650.06 | \$ 456.50 | \$ 2,676.10 | \$ 6,128.30 | \$ 35,209.66 | \$ 16,071.68 | \$ 14,757.60 | | | | |
| 20 | NET LANCASTER EXP/REV | \$ 1,763,268.50 | \$ (1,281,234.99) | \$ (1,897,392.94) | \$ (2,042,853.46) | \$ (2,042,853.46) | \$ (2,042,853.46) | \$ (2,042,853.46) | | | | | |
| 21 | MONTHLY ACTIVITY - WA | \$ 64.59% | \$ 1,319,688.28 | \$ 1,228,528.10 | \$ 1,318,478.08 | \$ 1,608,163.16 | \$ 1,471,174.31 | \$ 878,416.04 | \$ 7,545,737.71 | \$ 7,545,737.71 | \$ 7,545,737.71 | \$ 7,545,737.71 | \$ 7,545,737.71 |
| 22 | BALANCE BEFORE INTEREST | \$ 1,219,688.28 | \$ 1,219,688.28 | \$ 2,445,214.39 | \$ 3,764,693.45 | \$ 5,272,876.60 | \$ 6,744,590.91 | \$ 7,623,006.95 | \$ 7,946,737.71 | \$ 7,946,737.71 | \$ 7,946,737.71 | \$ 7,946,737.71 | \$ 7,946,737.71 |
| 23 | INTEREST CALCULATION | \$ 1,650.19 | \$ 5,559.43 | \$ 9,420.04 | \$ 13,709.43 | \$ 16,229.76 | \$ 21,794.76 | \$ 24,495.00 | \$ 24,733.23 | \$ 24,733.23 | \$ 24,733.23 | \$ 24,733.23 | \$ 24,733.23 |
| 24 | WA LANCASTER DEFERRAL-MONTHLY | \$ 1,221,538.48 | \$ 1,221,538.48 | \$ 1,321,095.63 | \$ 1,321,095.63 | \$ 1,421,652.78 | \$ 1,421,652.78 | \$ 1,421,652.78 | \$ 1,421,652.78 | \$ 1,421,652.78 | \$ 1,421,652.78 | \$ 1,421,652.78 | \$ 1,421,652.78 |
| 25 | CUMULATIVE ACCOUNT BALANCE | \$ 1,221,538.48 | \$ 2,443,076.96 | \$ 3,764,693.45 | \$ 5,086,309.08 | \$ 6,507,961.86 | \$ 7,929,614.64 | \$ 9,351,267.42 | \$ 10,772,920.20 | \$ 12,194,653.39 | \$ 13,616,386.57 | \$ 15,038,119.75 | \$ 16,460,852.93 |
| 26 | Cost of Debt-After Tax | 5.601% | | | | | | | | | | | |
| 27 | Cost of Debt-After Tax | 5.935% | | | | | | | | | | | |

New Int Rate

| Line No. | Description (a) | Coupon Rate (b) | Maturity Date (c) | Settlement Date (d) | Principal Amount (e) | Issuance Costs (f) | SWAP Loss/(Gain) (g) | Discount (Premium) (g) | Loss/Reacq Expenses (h) | Net Proceeds (i) | Yield to Maturity (j) | Principal Outstanding 6/30/2010 (k) | Effective Cost (l) | Line No. |
|----------|------------------|-----------------|-------------------|---------------------|----------------------|--------------------|----------------------|------------------------|-------------------------|------------------|-----------------------|-------------------------------------|--------------------|----------|
| 1 | SERIES A SET UP | N/A | 8/31/2010 | 5/1/1993 | - | 373,693 | - | - | - | - | - | - | 21,663 | 1 |
| 2 | FMBS - SERIES A | 7.50% | 5/5/2023 | 5/6/1993 | 5,500,000 | 42,712 | - | - | 963,011 | 4,484,277 | 9.359% | 5,500,000 | 514,744 | 2 |
| 3 | FMBS - SERIES A | 7.50% | 5/5/2023 | 5/7/1993 | 1,000,000 | 7,766 | - | - | 175,412 | 816,822 | 9.375% | 1,000,000 | 93,747 | 3 |
| 4 | FMBS - SERIES A | 7.30% | 5/10/2012 | 5/10/1993 | 7,000,000 | 49,114 | - | - | 1,227,883 | 5,723,003 | 9.455% | 7,000,000 | 661,877 | 4 |
| 5 | FMBS - SERIES A | 7.30% | 5/11/2018 | 5/11/1993 | 7,000,000 | 54,364 | - | - | 1,227,883 | 5,717,753 | 9.28% | 7,000,000 | 650,114 | 5 |
| 6 | FMBS - SERIES A | 7.450% | 6/11/2018 | 6/8/1993 | 15,500,000 | 120,377 | - | 50,220 | 2,140,440 | 13,188,963 | 8.953% | 15,500,000 | 1,387,715 | 6 |
| 7 | FMBS - SERIES A | 6.670% | 7/12/2010 | 7/12/1993 | 5,000,000 | 35,081 | - | - | 690,464 | 4,274,454 | 8.275% | 5,000,000 | 413,765 | 7 |
| 8 | FMBS - SERIES A | 7.180% | 8/11/2023 | 8/12/1993 | 7,000,000 | 54,364 | - | - | 3,817,752 | 6,945,636 | 7.244% | 7,000,000 | 507,064 | 8 |
| 9 | KETTLE FALLS P C | 6.000% | 12/1/2023 | 7/29/1993 | 4,100,000 | 115,355 | - | 20,500 | 146,393 | 3,817,752 | 6.523% | 4,100,000 | 287,441 | 9 |
| 10 | FMBS - SERIES B | 6.900% | 7/1/2010 | 6/8/1995 | 5,000,000 | 37,944 | - | - | - | 4,962,056 | 6.982% | 5,000,000 | 349,077 | 10 |
| 11 | ADVANCE ASSOCIAT | 1.392% | 6/1/2037 | 6/3/1997 | 40,000,000 | 1,296,086 | - | - | (1,769,125) | 40,473,039 | 1.353% | 40,000,000 | 541,307 | 11 |
| 12 | SERIES C SET UP | N/A | 6/15/2013 | 6/15/1998 | - | 650,179 | - | - | - | - | - | - | 43,345 | 12 |
| 13 | FMBS - SERIES C | 6.370% | 6/19/2028 | 6/19/1998 | 25,000,000 | 158,304 | - | - | 188,649 | 24,653,047 | 6.475% | 25,000,000 | 1,618,863 | 13 |
| 14 | FMBS - SERIES C | 8.020% | 10/26/2010 | 10/28/1998 | 25,000,000 | 161,287 | - | - | 707,527 | 24,131,185 | 8.513% | 25,000,000 | 2,128,207 | 14 |
| 15 | FMBS - SERIES C | 6.125% | 9/1/2013 | 9/8/2003 | 45,000,000 | 825,301 | - | 228,839 | 815,824 | 43,128,036 | 6.703% | 45,000,000 | 3,016,248 | 15 |
| 16 | FMBS - 6.125% | 5.450% | 12/1/2019 | 11/18/2004 | 90,000,000 | 1,192,681 | - | 239,400 | 7,244,895 | 81,323,024 | 6.462% | 90,000,000 | 5,815,418 | 16 |
| 17 | FMBS - 6.25% | 6.250% | 12/1/2035 | 11/17/2005 | 150,000,000 | 1,812,935 | (4,445,000) | 367,500 | 1,700,371 | 150,584,194 | 6.222% | 150,000,000 | 9,332,890 | 17 |
| 18 | FMBS - 5.70% | 5.700% | 7/1/2037 | 12/19/2006 | 150,000,000 | 4,702,304 | 3,738,000 | 222,000 | - | 141,337,896 | 6.120% | 150,000,000 | 9,179,674 | 18 |
| 19 | 5.95% SERIES | 5.950% | 6/1/2018 | 4/2/2008 | 250,000,000 | 2,246,419 | 16,395,000 | 835,000 | - | 230,523,581 | 7.034% | 250,000,000 | 17,585,352 | 19 |
| 20 | 7.25% FMBS | 7.250% | 12/16/2013 | 12/16/2008 | 30,000,000 | 523,272 | - | - | - | 29,476,728 | 7.677% | 30,000,000 | 2,302,993 | 20 |
| 21 | 5.125% SERIES | 5.125% | 4/1/2022 | 9/22/2009 | 250,000,000 | 2,284,788 | (10,776,222) | 575,000 | 2,904,144 | 255,012,290 | 4.909% | 250,000,000 | 12,271,632 | 21 |
| 22 | | | | | | | | | | | | 1,112,100,000 | 68,703,136 | 22 |
| 23 | | | | | | | | | | | | | | 23 |
| 24 | Repurchase | 8.85% | 6/5/2028 | 5/24/2002 | 10,000,000 | - | - | - | -2,228,153 | 12,228,153 | 6.981% | | -188,084 | 24 |
| 25 | Repurchase | 8.83% | 6/5/2028 | 4/3/2003 | 10,000,000 | - | - | - | -407,637 | 10,407,637 | 8.435% | | -39,616 | 25 |
| 26 | Repurchase | 8.83% | 12/29/2022 | 3/11/2003 | 5,000,000 | - | - | - | 92,363 | 4,907,637 | 9.029% | | 10,341 | 26 |
| 27 | Repurchase | 8.37% | 9/10/2012 | 7/7/2003 | 12,000,000 | - | - | - | 357,674 | 11,642,326 | 8.848% | | 59,291 | 27 |
| 28 | Repurchase | 0.47% | 3/1/2034 | 12/29/2009 | 17,000,000 | - | - | - | 2,011,635 | 14,988,365 | 1.024% | | 91,611 | 28 |
| 29 | Repurchase | 5.00% | 6/1/2032 | 12/28/2008 | 66,700,000 | - | - | - | 3,703,181 | 62,996,819 | 5.421% | | 279,469 | 29 |
| 30 | | | | | | | | | | | | 1,112,100,000 | 68,916,150 | 30 |
| 31 | | | | | 106,857,693 | | | | | | 3.213% | 106,857,693 | 3,433,642 | 31 |
| 32 | | | | | | | | | | | | 1,218,957,693 | 72,349,792 | 32 |
| 33 | | | | | | | | | | | | | | 33 |
| 34 | | | | | | | | | | | | | | 34 |
| 35 | | | | | | | | | | | | | | 35 |
| 36 | | | | | | | | | | | | | | 36 |
| 37 | | | | | | | | | | | | | | 37 |
| 38 | | | | | | | | | | | | | | 38 |

Adjusted Weighted Average Cost of Debt 5.935%

WASHINGTON'S TOTAL DEBT OUTSTANDING AND COST OF DEBT AT JUNE 30, 2010

3 Short Term-Debt

1 Average Monthly Average Rate over a twelve month period

2 Coupon Rate at the time of repurchase

3 Calculated using the Internal Rate of Return method