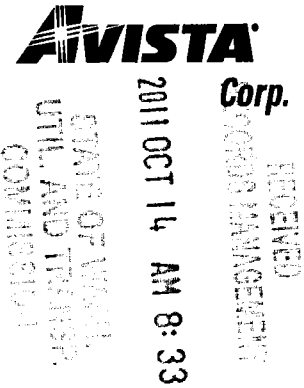


Avista Corp.  
1411 East Mission P.O. Box 3727  
Spokane, Washington 99220-3727  
Telephone 509-489-0500  
Toll Free 800-727-9170



October 12, 2011

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, September 2011

Dear Mr. Danner:

Enclosed are an original and five copies of Avista Corporation's Power Cost Deferral Report for the month of September 2011. The report includes the monthly energy recovery mechanism (ERM) accounting journal together with backup workpapers. In September actual net power costs were lower than authorized costs by \$582,362. The year-to-date difference is \$11,779,590 in the rebate direction. A deferral of \$524,126 was recorded in the rebate direction. The year-to-date deferral balance, excluding interest, is \$6,101,631 in the rebate direction.

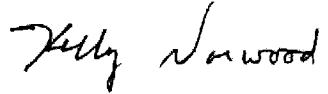
Actual power supply expense was lower than the authorized level due primarily to high hydro generation. Hydro generation was 31 aMW above the authorized level. Wholesale power prices were also lower than expected with the actual wholesale power purchase price at \$38.00/MWh, compared to an authorized rate of \$50.00/MWh.

Colstrip and Kettle Falls generation was 13 and less than 1 aMW below the authorized levels, respectively. Gas-fired generation was 59 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 above 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 12 of the July 2011 report shows the calculation of the weighted cost of debt at June 30, 2011, which will be used for the July-December 2011 period.

There were no forward long-term contracts of one year or longer entered into in the month of September 2011. 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 SEPTEMBER 2011

**Avista Corporation Journal Entry**

Effective Date: 201109

Journal: 481-WA ERM

Team: Resource Accounting

Type: C

Category: DJ

Currency: USD

Last Saved by: Cameron Dunlop

Submitted by: Cameron Dunlop

Approved by:

Last Saved: 10/06/2011 3:11 PM

Approval Requested: 10/06/2011 3:11 PM


Seq	Co.	FERC	Ser.	Jur.	S.L.	Debit	Credit	Comment
10	001	186280 - REGULATORY ASSET ERM DEFERRED CURRENT YEAR	ED	WA	DL		524,126.00	WA ERM Entry
20	001	557280 - DEFERRED POWER SUPPLY EXPENSE	ED	WA	DL	524,126.00		WA ERM Entry
30	001	431600 - INTEREST EXPENSE ENERGY DEFERRALS	ED	WA	DL	17,878.00		Interest on ERM
40	001	186280 - REGULATORY ASSET ERM DEFERRED CURRENT YEAR	ED	WA	DL		17,878.00	Interest on ERM
<b>Totals:</b>						<b>542,004.00</b>	<b>542,004.00</b>	

Totals: 542,004.00

542,004.00

Explanation:

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

  
 Prepared by Cameron Dunlop

  
 Reviewed by

10/6/11  
 Date

10/6/11  
 Date

Date

Approved for Entry  
 Corporate Accounting use Only

Detail Balances (AVISTA CORP) - 001.186280.ED.WA.DL					
Balance Type		Actual		Currency Type - Total	
Period	Currency	PTD	PTD Converted	YTD	YTD Converted
201013	USD	0.00		0.00	
201101	USD	0.00		0.00	
201102	USD	1,227,123.00		1,227,123.00	
201103	USD	1,479,769.00		2,706,892.00	
201104	USD	1,330,616.00		4,037,508.00	
201105	USD	1,067,676.00		2,969,832.00	
201106	USD	788,206.00		2,181,626.00	
201107	USD	350,312.00		2,531,938.00	
201108	USD	3,101,474.00		5,633,412.00	
201109	USD	542,004.00		6,175,416.00	

**ERM Deferral Balance (Current Year - 2011)**

**Account 186280.ED.WA**

	<u>Amount</u>	<u>Journal ID</u>
Balance 8/31/11	-\$5,633,412.00	
Deferral	-524,126.00	481 - WA ERM
Interest	-17,878.00	481 - WA ERM
Balance 9/30/11	<u><u>-\$6,175,416.00</u></u>	

Year to date deferrals	-\$6,101,631.00
Year to date interest	-73,785.00
Balance in account	<u><u>-\$6,175,416.00</u></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 75%	-6,000,000.00	-1,500,000.00	-4,500,000.00
Over \$10,000,000 at 10%	-1,779,590.00	-177,959.00	-1,601,631.00
Total	<u><u>-\$11,779,590.00</u></u>	<u><u>-\$5,677,959.00</u></u>	<u><u>-\$6,101,631.00</u></u>

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

Balance Type: **Actual**      Currency Type: **Total**

Period	Currency	PTD	PTD Converted	YTD	YTD Converted
201013	USD	0.00		0.00	
201101	USD	0.00		0.00	
201102	USD	0.00		0.00	
201103	USD	0.00		0.00	
201104	USD	0.00		0.00	
201105	USD	0.00		0.00	
201106	USD	0.00		0.00	
201107	USD	0.00		0.00	
201108	USD	0.00		0.00	
201109	USD	0.00		0.00	

Journal Details      Summary Balances

**ERM Deferral Balance (Prior year - 2010)**

**Account 186290.ED.WA**

Balance 8/31/11  
 Interest  
 Balance 9/30/11

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

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

Balance Type: Actual      Currency Type: Total

Period	Currency	PTD	PTD Converted	YTD	YTD Converted
201101	USD	0.00		0.00	
201101	USD	0.00		0.00	
201102	USD	0.00		0.00	
201103	USD	0.00		0.00	
201104	USD	0.00		0.00	
201105	USD	0.00		0.00	
201106	USD	0.00		0.00	
201107	USD	0.00		0.00	
201108	USD	0.00		0.00	
201109	USD	0.00		0.00	

Journal Details      Summary Balances

**Recoverable Deferral Balance**

**Account 182350.ED.WA**

Balance 8/31/11

Interest

Balance 9/30/11

Amount

\$0.00

0.00

\$0.00

Journal ID

481 - WA ERM

Detail Balances (AVISTA CORP) - 001.283280.ED.WA.DL					
Balance Type: <b>Actual</b>			Currency Type: <b>Total</b>		
Period	Currency	PTD	PTD Converted	YTD	YTD Converted
201013	USD	0.00		0.88	
201101	USD	0.00		0.88	
201102	USD	429,493.05		429,493.93	
201103	USD	517,919.15		947,413.08	
201104	USD	465,715.60		1,413,128.68	
201105	USD	373,686.60		1,039,442.08	
201106	USD	275,872.10		763,569.98	
201107	USD	122,609.20		886,179.18	
201108	USD	1,085,515.90		1,971,695.08	
201109	USD	189,701.40		2,161,396.48	

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

Account 186280.ED.WA balance	-\$6,175,416.00
Account 186290.ED.WA balance	0.00
Account 182350.ED.WA balance	0.00
Total	<u>-\$6,175,416.00</u>
Federal income tax rate	-35%
Deferred FIT related to deferrals	<u>\$2,161,396</u>
Rounding	0
Balance in account	<u><u>\$2,161,396</u></u>



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 12/31/10 is		5.614%		Actual cost of debt at 06/30/11 is		5.617%
The monthly rate is:		0.00468	Before Tax	The monthly rate is:		0.00468
		0.0030409	After Tax			0.0030425
		0.35	Tax rate			0.35
<b>Account 186280</b>						0
				<u>January</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
January	ERM Deferral	0		Deferral	0	Operating 0
January	Interest		0	Interest	0	Nonoperating 0
1/31/2011	Balance before interest	0			0	Total 0
				<u>February</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
February	ERM Deferral	(1,226,791)		Deferral	(429,377)	Operating 429,377
February	Interest		(1,865)	Interest	(653)	Nonoperating 653
2/28/2011	Balance before interest	(1,226,791)			(430,030)	Total 430,030
				<u>March</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
March	ERM Deferral	(1,472,267)		Deferral	(515,293)	Operating 515,293
March	Interest		(5,969)	Interest	(2,089)	Nonoperating 2,089
3/31/2011	Balance before interest	(2,699,058)			(517,382)	Total 517,382
				<u>April</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
April	ERM Deferral	(1,320,401)		Deferral	(462,140)	Operating 462,140
April	Interest		(10,215)	Interest	(3,575)	Nonoperating 3,575
4/30/2011	Balance before interest	(4,019,459)			(465,715)	Total 465,715
				<u>May</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
May	ERM Deferral	1,078,259		Deferral	377,391	Operating (377,391)
May	Interest		(10,583)	Interest	(3,704)	Nonoperating 3,704
5/31/2011	Balance before interest	(2,941,200)			373,687	Total (373,687)
				<u>June</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
June	ERM Deferral	795,940		Deferral	278,579	Operating (278,579)
June	Interest		(7,734)	Interest	(2,707)	Nonoperating 2,707
6/30/2011	Balance before interest	(2,145,260)			275,872	Total (275,872)
				<u>July</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
July	ERM Deferral	(343,152)		Deferral	(120,103)	Operating 120,103
July	Interest		(7,160)	Interest	(2,506)	Nonoperating 2,506
7/31/2011	Balance before interest	(2,524,778)			(122,609)	Total 122,609
				<u>August</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
August	ERM Deferral	(3,089,093)		Deferral	(1,081,183)	Operating 1,081,183
August	Interest		(12,381)	Interest	(4,333)	Nonoperating 4,333
8/31/2011	Balance before interest	(5,613,871)			(1,085,516)	Total 1,085,516
				<u>September</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
September	ERM Deferral	(524,126)		Deferral	(183,444)	Operating 183,444
September	Interest		(17,878)	Interest	(6,257)	Nonoperating 6,257
9/30/2011	Balance before interest	(6,137,997)			(189,701)	Total 189,701

Avista Corp. - Resource Accounting  
**WASHINGTON POWER COST DEFERRALS**

Line No.	WASHINGTON ACTUALS	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
1	555 Purchased Power	\$23,001,732	\$21,199,193	\$19,083,388	\$14,030,492	\$11,251,310	\$9,853,399	\$16,733,775	\$16,287,090	\$17,785,701	\$0	\$0	\$0
2	447 Sale for Resale	(\$11,503,112)	(\$6,726,578)	(\$6,558,192)	(\$9,106,868)	(\$6,407,122)	(\$4,879,494)	(\$10,857,205)	(\$9,846,953)	(\$11,774,472)	\$0	\$0	\$0
3	501 Thermal Fuel	\$2,393,545	\$1,297,553	\$2,199,437	\$1,737,261	\$1,825,461	\$2,571,063	\$2,352,576	\$2,990,040	\$3,059,824	\$0	\$0	\$0
4	547 CT Fuel	\$5,189,184	\$3,527,911	\$1,360,752	\$3,733,340	\$1,732,616	\$1,274,849	\$3,282,448	\$6,133,245	\$7,338,197	\$0	\$0	\$0
5	456 Transmission Revenue	(\$740,040)	(\$728,798)	(\$938,596)	(\$786,223)	(\$808,629)	(\$1,402,418)	(\$1,876,464)	(\$1,556,228)	(\$1,318,465)	\$0	\$0	\$0
6	565 Transmission Expense	\$1,492,452	\$1,437,473	\$1,480,830	\$1,415,624	\$1,389,451	\$1,359,908	\$1,404,644	\$1,451,913	\$1,455,330	\$0	\$0	\$0
7	557 Broker Fees	\$42,656	\$64,015	\$129,860	\$97,390	\$52,577	\$70,281	\$65,808	\$76,848	\$86,944	\$0	\$0	\$0
8	Less Cleanerwater directly assigned to ID	(\$1,697,271)	(\$1,416,274)	(\$1,198,155)	(\$1,576,194)	(\$1,655,253)	(\$1,557,266)	(\$1,685,897)	(\$1,680,007)	(\$1,533,745)	\$0	\$0	\$0
9	Adjusted Actual Net Expense	\$18,179,146	\$18,654,495	\$15,659,324	\$9,544,922	\$7,380,411	\$7,290,322	\$9,439,685	\$13,855,948	\$15,099,313	\$0	\$0	\$0
<b>AUTHORIZED NET EXPENSE-SYSTEM</b>													
10	555 Purchased Power	\$11,944,984	\$9,846,565	\$10,853,067	\$6,732,714	\$4,712,966	\$4,927,815	\$7,041,743	\$7,484,808	\$6,620,235	\$6,005,442	\$8,349,912	\$9,537,086
11	447 Sale for Resale	(\$3,563,619)	(\$4,040,473)	(\$3,415,529)	(\$4,350,662)	(\$5,618,561)	(\$5,671,884)	(\$10,007,193)	(\$7,148,106)	(\$6,784,137)	(\$2,871,260)	(\$4,145,606)	(\$4,289,456)
12	501 Thermal Fuel	\$3,348,316	\$3,062,689	\$3,327,639	\$1,902,982	\$1,556,472	\$1,454,724	\$3,034,374	\$3,367,673	\$3,234,240	\$3,355,439	\$3,270,601	\$3,355,029
13	547 CT Fuel	\$10,313,555	\$9,965,514	\$8,687,265	\$3,518,933	\$2,675,756	\$3,294,621	\$11,094,720	\$13,127,806	\$12,566,735	\$11,569,604	\$13,114,461	\$14,645,319
14	456 Transmission Revenue	(\$901,304)	(\$825,004)	(\$1,002,240)	(\$896,432)	(\$1,029,104)	(\$1,371,347)	(\$1,379,878)	(\$1,150,203)	(\$1,025,629)	(\$1,027,312)	(\$925,342)	(\$810,690)
15	565 Transmission Expense	\$1,593,916	\$1,428,384	\$1,489,847	\$1,545,721	\$1,353,126	\$1,434,184	\$1,446,414	\$1,475,811	\$1,441,885	\$1,464,316	\$1,464,565	\$1,517,909
16	557 Broker Fees	\$10,359	\$10,359	\$10,359	\$10,359	\$10,359	\$10,359	\$10,359	\$10,359	\$10,359	\$10,359	\$10,359	\$10,359
17	Authorized Net Expense	\$22,736,207	\$19,448,034	\$19,950,428	\$8,461,615	\$3,681,014	\$4,078,472	\$11,240,539	\$17,168,148	\$16,063,688	\$18,506,590	\$21,138,950	\$23,965,556
18	Actual - Authorized Net Expense	(\$4,557,061)	(\$2,793,539)	(\$4,291,104)	\$1,083,207	\$3,719,397	\$3,211,850	(\$1,800,854)	(\$3,312,200)	(\$964,375)	\$0	\$0	\$0
19	Resource Optimization	\$931,933	\$592,287	\$1,299,211	(\$1,252,358)	(\$845,527)	(\$418,554)	\$1,071,692	\$822,688	\$1,516,215	\$0	\$0	\$0
20	Adjusted Net Expense	(\$3,625,128)	(\$2,201,252)	(\$2,991,893)	(\$169,151)	\$2,873,870	\$2,793,296	(\$729,162)	(\$2,489,512)	\$551,840	\$0	\$0	\$0
21	Washington Allocation	64.87%	64.87%	64.87%	64.87%	64.87%	64.87%	64.87%	64.87%	64.87%	64.87%	64.87%	64.87%
22	Washington Share	(\$2,351,621)	(\$1,427,952)	(\$1,940,841)	(\$109,726)	\$1,864,279	\$1,812,011	(\$473,007)	(\$1,614,946)	\$357,979	\$0	\$0	\$0
23	WA Retail Revenue Adjustment (+) Surcharge (-) Rebate	\$154,343	(\$2,010,491)	(\$22,182)	(\$1,650,807)	(\$426,600)	(\$750,757)	\$15,470	(\$2,264,399)	(\$940,341)	\$0	\$0	\$0
24	Net Power Cost (+) Surcharge (-) Rebate	(\$2,197,278)	(\$3,438,443)	(\$1,963,023)	(\$1,760,635)	\$1,437,679	\$1,061,254	(\$457,537)	(\$3,879,345)	(\$582,362)	\$0	\$0	\$0
25	Cumulative Balance	(\$2,197,278)	(\$5,635,721)	(\$7,598,744)	(\$9,359,279)	(\$7,921,600)	(\$6,860,346)	(\$7,317,883)	(\$11,197,228)	(\$11,779,590)	\$0	\$0	\$0
	Deferral Amount, Cumulative (Customer)	\$0	(\$1,226,791)	(\$2,699,058)	(\$4,019,459)	(\$2,941,200)	(\$2,145,260)	(\$2,488,412)	(\$5,577,505)	(\$6,101,631)	\$0	\$0	\$0
	Deferral Amount, Monthly	\$0	(\$1,226,791)	(\$1,472,267)	(\$1,320,401)	\$1,078,259	\$795,940	(\$343,152)	(\$3,089,093)	(\$524,126)	\$0	\$0	\$0
	Acct 557280 Entry: (+) Rebate, (-) Surcharge	\$0	\$1,226,791	\$1,472,267	\$1,320,401	(\$1,078,259)	(\$795,940)	\$343,152	\$3,089,093	\$524,126	\$0	\$0	\$0
	Company Band Gross Margin Impact, Cumulative	(\$2,197,278)	(\$4,408,930)	(\$4,899,688)	(\$5,339,820)	(\$4,980,400)	(\$4,715,086)	(\$4,825,471)	(\$5,619,723)	(\$5,677,959)	\$0	\$0	\$0

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

Line No.	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
<b>555 PURCHASED POWER</b>												
1	\$13,701,024	\$12,638,999	\$12,254,383	\$6,470,073	\$5,313,403	\$3,923,331	\$10,567,284	\$10,444,249	\$12,363,129	\$0	\$0	\$0
2	\$133,680	\$157,761	\$137,408	\$122,726	\$154,936	\$439,222	\$133,514	\$139,134	\$126,766	\$0	\$0	\$0
3	\$146,954	\$146,954	\$146,954	\$146,954	\$146,954	\$146,954	\$146,954	\$146,954	\$150,203	\$0	\$0	\$0
4	\$505,464	\$505,463	\$505,461	\$505,470	\$505,466	\$505,461	\$505,465	\$505,464	\$505,457	\$0	\$0	\$0
5	\$412,606	\$391,159	\$403,468	\$528,128	\$542,862	\$531,306	\$455,032	\$456,005	\$450,035	\$0	\$0	\$0
6	\$45,606	\$76,060	\$91,284	\$119,976	\$128,565	\$110,010	\$148,647	\$107,463	\$38,834	\$0	\$0	\$0
7	\$3,357,872	\$3,034,183	\$1,657,782	\$1,605,560	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	\$141	\$693	\$637	\$611	\$671	\$487	\$380	\$500	\$573	\$0	\$0	\$0
9	\$136,766	\$135,254	\$128,323	\$134,658	\$135,339	\$129,924	\$133,040	\$90,157	\$66,179	\$0	\$0	\$0
10	\$179,922	\$165,034	\$145,830	\$88,869	\$135,509	\$141,932	\$202,512	\$223,037	\$204,314	\$0	\$0	\$0
11	\$321,567	\$362,494	\$295,778	\$245,758	\$195,772	\$191,874	\$294,752	\$24,178	\$21,892	\$0	\$0	\$0
12	\$45,000	\$0	\$0	\$135,000	\$135,000	\$165,000	\$165,000	\$165,000	\$135,000	\$0	\$0	\$0
13	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	\$355,193	\$308,730	\$341,013	\$414,376	\$336,762	\$397,582	\$265,251	\$331,417	\$167,181	\$0	\$0	\$0
15	\$1,860,812	\$1,926,509	\$1,748,975	\$1,843,020	\$1,778,756	\$1,764,403	\$1,846,745	\$1,937,334	\$2,031,823	\$0	\$0	\$0
16	\$1,697,271	\$1,416,274	\$1,198,155	\$1,576,194	\$1,655,253	\$1,557,266	\$1,660,897	\$1,690,007	\$1,533,746	\$0	\$0	\$0
17	\$66,508	\$68,104	\$55,981	\$49,536	\$47,783	\$45,634	\$49,724	\$49,929	\$46,652	\$0	\$0	\$0
18	\$35,346	(\$34,378)	(\$28,044)	\$43,583	\$38,279	(\$120,713)	\$77,304	(\$13,739)	(\$56,083)	\$0	\$0	\$0
19	<b>\$23,007,732</b>	<b>\$21,199,193</b>	<b>\$19,083,388</b>	<b>\$14,030,492</b>	<b>\$11,251,310</b>	<b>\$9,853,399</b>	<b>\$16,733,775</b>	<b>\$16,287,090</b>	<b>\$17,785,701</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

(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

Line No.	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
<b>447 SALES FOR RESALE</b>												
20	(\$6,752,558)	(\$5,256,186)	(\$3,552,583)	(\$5,988,758)	(\$3,356,251)	(\$2,256,774)	(\$7,432,623)	(\$6,243,461)	(\$7,854,304)	\$0	\$0	\$0
21	(\$146,020)	(\$146,345)	(\$144,955)	(\$146,150)	(\$146,085)	(\$146,085)	(\$146,150)	(\$146,150)	(\$146,215)	\$0	\$0	\$0
22	(\$97,088)	(\$73,975)	(\$68,628)	(\$76,190)	(\$75,562)	(\$68,521)	(\$101,653)	(\$134,691)	(\$145,276)	\$0	\$0	\$0
23	(\$6,386)	(\$5,871)	(\$6,667)	(\$6,264)	(\$6,771)	(\$6,512)	(\$6,688)	(\$6,665)	(\$6,541)	\$0	\$0	\$0
24	(\$41,841)	(\$38,713)	(\$41,440)	(\$40,290)	(\$32,075)	(\$21,475)	(\$29,465)	(\$36,195)	(\$34,190)	\$0	\$0	\$0
25	(\$250,968)	(\$32,256)	(\$35,742)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26	(\$117,683)	(\$99,520)	(\$97,452)	(\$131,600)	(\$19,218)	(\$18,760)	(\$11,000)	\$0	\$0	\$0	\$0	\$0
27	(\$2,127,448)	(\$1,747,094)	(\$1,439,282)	(\$1,584,172)	(\$1,536,965)	(\$1,465,030)	(\$1,944,173)	(\$2,221,962)	(\$2,111,216)	\$0	\$0	\$0
28	(\$1,963,120)	(\$1,326,618)	(\$1,171,443)	(\$1,153,444)	(\$1,234,195)	(\$896,337)	(\$1,185,452)	(\$1,057,829)	(\$1,476,730)	\$0	\$0	\$0
29	<b>(\$11,503,112)</b>	<b>(\$8,726,578)</b>	<b>(\$6,558,192)</b>	<b>(\$9,106,868)</b>	<b>(\$6,407,122)</b>	<b>(\$4,879,494)</b>	<b>(\$10,857,205)</b>	<b>(\$9,846,953)</b>	<b>(\$11,774,472)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>501 FUEL-DOLLARS</b>												
30	\$720,927	(\$7,551)	\$381,831	\$610,231	\$987,105	\$2,066,726	\$850,189	\$1,089,712	\$1,175,290	\$0	\$0	\$0
31	(\$696)	\$1,293	\$6,213	\$1,903	\$326	\$9,418	\$6,488	\$169	(\$6,707)	\$0	\$0	\$0
32	\$1,650,366	\$1,277,058	\$1,798,049	\$1,124,528	\$336,089	\$491,565	\$1,431,535	\$1,859,569	\$1,856,086	\$0	\$0	\$0
33	\$22,948	\$26,753	\$13,344	\$599	\$1,941	\$3,354	\$84,364	\$40,590	\$35,155	\$0	\$0	\$0
34	<b>\$2,393,545</b>	<b>\$1,297,553</b>	<b>\$2,199,437</b>	<b>\$1,737,261</b>	<b>\$1,825,461</b>	<b>\$2,571,063</b>	<b>\$2,352,576</b>	<b>\$2,990,040</b>	<b>\$3,059,824</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>501 FUEL-TONS</b>												
35	30,205	75,306	16,111	26,412	42,815	34,163	36,345	47,116	51,147	\$0	\$0	\$0
36	84,543		87,235	38,332	39,752	37,393	66,441	89,647	86,976	\$0	\$0	\$0

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

Line No.	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
<b>501 FUEL-COST PER TON</b>												
37		wood	\$23.87	\$23.70	\$23.06	\$60.50	\$23.39	\$23.13	\$22.98			
38		coal	\$19.52	\$20.61	\$21.03	\$13.15	\$21.55	\$20.74	\$21.34			
39		NE CT Gas/Oil-547213	(\$14,185)	\$2,804	\$1,443	\$510	\$11	(\$2,964)	\$10,916			
40		Boulder Park-547216	\$19,111	\$13,543	\$55,608	\$59,000	\$49,815	\$67,530	\$153			
41		Kettle Falls CT-547211	\$13,997	(\$88)	\$819	\$8,929	\$19,217	\$15,011	\$7,313			
42		Coyote Springs-547610	\$2,460,195	\$701,752	\$780,338	\$498,965	\$1,454,826	\$2,951,795	\$3,648,845			
43		Lancaster-547312	\$2,612,390	\$628,078	\$856,808	\$641,539	\$1,688,103	\$3,042,531	\$3,671,092			
45		Rathdrum CT-547310	\$97,676	\$14,663	\$37,600	\$65,908	\$70,476	\$59,342	(\$122)			
46		<b>Total 547 Fuel Expense</b>	<b>\$5,189,184</b>	<b>\$1,360,752</b>	<b>\$1,732,616</b>	<b>\$1,274,849</b>	<b>\$3,282,448</b>	<b>\$6,133,245</b>	<b>\$7,338,197</b>			
47		<b>TOTAL NET EXPENSE</b>	<b>\$19,081,349</b>	<b>\$17,298,079</b>	<b>\$16,085,385</b>	<b>\$10,394,225</b>	<b>\$8,819,817</b>	<b>\$11,511,594</b>	<b>\$15,563,422</b>	<b>\$16,409,250</b>		
<b>456 TRANSMISSION REVENUE</b>												
56		456100 ED AN	(\$661,335)	(\$759,891)	(\$707,518)	(\$729,924)	(\$1,323,713)	(\$1,797,759)	(\$1,477,525)	(\$1,241,053)		
57		456705 ED AN	(\$78,705)	(\$78,705)	(\$78,705)	(\$78,705)	(\$78,705)	(\$78,705)	(\$78,705)	(\$77,412)		
58		<b>Total 456 Transmission Revenue</b>	<b>(\$740,040)</b>	<b>(\$838,596)</b>	<b>(\$786,223)</b>	<b>(\$808,629)</b>	<b>(\$1,876,464)</b>	<b>(\$1,556,228)</b>	<b>(\$1,318,465)</b>			
<b>565 TRANSMISSION EXPENSE</b>												
59		565000 ED AN	\$1,490,422	\$1,435,443	\$1,413,594	\$1,357,878	\$1,402,614	\$1,449,883	\$1,453,300			
60		565312 ED AN	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
61		565710 ED AN	\$2,030	\$2,030	\$2,030	\$2,030	\$2,030	\$2,030	\$2,030			
62		<b>Total 565 Transmission Expense</b>	<b>\$1,492,452</b>	<b>\$1,437,473</b>	<b>\$1,415,624</b>	<b>\$1,359,908</b>	<b>\$1,404,644</b>	<b>\$1,451,913</b>	<b>\$1,455,330</b>			
63		<b>Total 557170 ED AN Broker Fees</b>	<b>\$42,656</b>	<b>\$64,015</b>	<b>\$97,390</b>	<b>\$70,281</b>	<b>\$65,808</b>	<b>\$76,848</b>	<b>\$86,944</b>			
<b>RESOURCE OPTIMIZATION</b>												
64		Econ Dispatch-557010	(\$360,411)	(\$324,471)	(\$1,380,406)	(\$1,275,206)	(\$2,285,010)	(\$263,849)	(\$3,413,742)			
65		Econ Dispatch-557150	\$17,663,373	\$10,581,938	\$14,303,388	\$14,119,816	\$16,982,010	\$19,402,776	\$10,901,531			
66		Gas Bookouts-557700	\$2,518,750	\$672,420	\$672,008	\$2,612,105	\$3,402,209	\$1,314,642	\$2,686,608			
67		Gas Bookouts-557711	\$1,754,217	\$3,870,301	\$4,967,612	\$6,352,977	\$8,597,025	\$6,069,327	\$7,712,868			
68		Intraco Thermal Gas-557730	(\$210,538)	(\$76,563)	\$794,021	\$1,156,230	\$2,074,275	(\$42,958)	\$2,671,365			
69		Fuel DispatchFin-456010	(\$13,412,414)	(\$12,135,362)	(\$16,750,335)	(\$19,712,485)	(\$13,254,524)	(\$14,897,490)	(\$15,883,085)			
70		Fuel Dispatch-456015	(\$4,491,266)	(\$1,319,624)	(\$633,340)	(\$1,072,189)	(\$4,822,715)	(\$9,452,939)	(\$448,278)			
71		Intraco Thermal Gas-456730	\$2,317,935	\$947,575	\$845,268	\$1,916,400	\$1,930,913	\$1,965,013	\$9,175,715			
72		Fuel Bookouts-456711	(\$2,317,935)	(\$947,575)	(\$845,268)	(\$1,916,400)	(\$1,930,913)	(\$1,431,252)	\$9,175,715			
73		Fuel Bookouts-456720						\$1,431,252	(\$9,175,715)			
74		<b>Resource Optimizaton Subtotal</b>	<b>\$942,961</b>	<b>\$596,229</b>	<b>\$1,300,940</b>	<b>(\$432,057)</b>	<b>\$1,056,147</b>	<b>\$814,867</b>	<b>\$1,540,659</b>			
75		<b>Misc Rev's 456016 ED AN</b>	<b>(\$9,448)</b>	<b>\$0</b>	<b>(\$815,613)</b>	<b>(\$327,689)</b>	<b>(\$55,151)</b>	<b>\$0</b>	<b>(\$26,756)</b>			

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

Line No.	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
76	Clearwater REC Exp Authorized	\$29,760	\$26,880	\$29,720	\$28,800	\$28,800	\$29,760	\$28,760	\$28,800	\$29,760	\$28,840	\$29,760
77	Clearwater REC Actuals - 557160	\$29,760	\$26,880	\$27,916	\$28,800	\$28,800	\$45,462	\$39,760	\$28,800	\$0	\$0	\$0
78	Clearwater REC Subtotal	\$0	\$0	(\$1,804)	\$0	\$0	\$15,702	\$10,000	\$0	\$0	\$0	\$0
79	Wind REC Exp Authorized	\$13,456	\$8,894	\$14,254	\$12,537	\$13,656	\$10,872	\$11,601	\$9,090	\$9,262	\$11,530	\$9,340
80	Wind REC Exp Actual 557395	(\$15,036)	(\$12,836)	(\$14,179)	(\$17,225)	(\$16,531)	(\$11,029)	(\$13,780)	(\$6,779)	\$0	\$0	\$0
81	Wind REC Subtotal	(\$1,580)	(\$3,942)	\$75	(\$4,688)	(\$2,875)	(\$157)	(\$2,179)	\$2,312	\$0	\$0	\$0
82	Net Resource Optimization	\$931,933	\$592,287	\$1,299,211	(\$1,252,358)	(\$418,554)	\$1,071,692	\$822,688	\$1,516,215			
83	Adjusted Actual Net Expense	\$20,808,350	\$18,663,056	\$18,156,690	\$9,868,658	\$8,429,034	\$12,177,274	\$16,358,643	\$18,149,274			

Avista Corp. - Resource Accounting  
 Washington Electric Jurisdiction  
**Energy Recovery Mechanism (ERM) Retail Revenue Credit Calculation - 2011**

Retail Sales - MWh	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	YTD
Total Billed Sales	550,386	515,941	497,287	462,109	446,055	427,740	410,586	440,057	461,192	-	-	-	4,211,355
Deduct Prior Month Unbilled	(420,723)	(394,368)	(407,182)	(391,621)	(357,344)	(330,664)	(323,643)	(331,350)	(381,947)	-	-	-	(3,338,541)
Add Current Month Unbilled	394,368	407,182	391,621	357,344	330,664	323,643	331,350	381,647	345,695	-	-	-	3,263,512
<b>Total Retail Sales</b>	<b>524,030</b>	<b>528,756</b>	<b>481,727</b>	<b>427,832</b>	<b>419,375</b>	<b>420,720</b>	<b>418,293</b>	<b>490,355</b>	<b>425,240</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,136,326</b>
<b>Test Year Retail Sales</b>	<b>527,098</b>	<b>488,793</b>	<b>481,286</b>	<b>395,019</b>	<b>410,896</b>	<b>405,797</b>	<b>418,600</b>	<b>445,346</b>	<b>406,549</b>	<b>415,472</b>	<b>473,454</b>	<b>539,219</b>	<b>5,407,529</b>
Difference from Test Year	(3,068)	39,962	441	32,813	8,479	14,923	(308)	45,009	18,691	-	-	-	156,942
Production Rate - \$/MWh	\$50.31	\$50.31	\$50.31	\$50.31	\$50.31	\$50.31	\$50.31	\$50.31	\$50.31	\$50.31	\$50.31	\$50.31	\$50.31
<b>Total Revenue Credit - \$</b>	<b>(\$154,343)</b>	<b>\$2,010,491</b>	<b>\$22,182</b>	<b>\$1,650,807</b>	<b>\$426,600</b>	<b>\$750,757</b>	<b>(\$15,470)</b>	<b>\$2,264,399</b>	<b>\$940,341</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$7,895,766</b>