

Avista Corp.
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June 12, 2012

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 2012

Dear Mr. Danner:

Enclosed are an original and five copies of Avista Corporation's Power Cost Deferral Report for the month of May 2012. The report includes the monthly energy recovery mechanism (ERM) accounting journal together with backup workpapers. In May actual net power costs were lower than authorized costs by \$2,401,294. The year-to-date difference is \$7,919,027 in the rebate direction. A deferral entry of \$1,800,970 was made in the rebate direction. The year-to-date deferral balance, excluding interest, is \$2,939,270 in the rebate direction, which reflects 75% of the amount within the \$4 million to \$10 million sharing band.

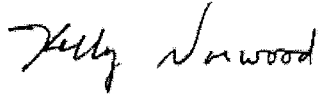
Actual net power costs were lower than the authorized level due primarily to increased hydro generation and low natural gas and power prices. Hydro generation was 68 aMW above the authorized level. The average natural gas price was \$2.29/dth compared to an authorized price of \$4.16/dth. The average power purchase price was \$8.60/MWh compared to an authorized price of \$29.99/MWh.

Colstrip and Kettle Falls generation was 43 aMW and 15 aMW below the authorized levels, respectively. Gas-fired generation was 18 aMW below the authorized level. The net transmission expense (transmission expense less transmission revenue) was below the authorized level. Washington retail sales were 28 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 13 of the report for January 2012 shows the calculation of the weighted cost of debt at December 31, 2011, which will be used for the January-June 2012 period.

There were no forward long-term contracts of one year or longer entered into in the month of May 2012. If you have any questions, please contact Bill Johnson at (509) 495-4046 or Ron McKenzie at (509) 495-4320.

Sincerely,

A handwritten signature in black ink that reads "Kelly Norwood". The signature is written in a cursive style with a large initial "K" and "N".

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 2012

Avista Corporation Journal Entry

Effective Date: 201205

Journal: 481-WA ERM

Team: Resource Accounting

Type: C

Category: DJ

Currency: USD

Last Saved by: Amy Parsons

Submitted by: Amy Parsons

Approved by:

Last Saved: 06/07/2012 9:34 AM

Approval Requested: 06/07/2012 9:42 AM

Seq	Co.	FERC	Ser.	Jur.	S.I.	Debit	Credit	Comment
10	001	431600 - INTEREST EXPENSE ENERGY DEFERRALS	ED	WA	DL	39,590.00		Prior Year Interest Accrual
20	001	186290 - REGULATORY ASSET ERM DEFERRED LAST YEAR	ED	WA	DL		39,590.00	Prior Year Interest Accrual
30	001	186280 - REGULATORY ASSET ERM DEFERRED CURRENT YEAR	ED	WA	DL		1,800,970.00	WA ERM Deferral
40	001	557280 - DEFERRED POWER SUPPLY EXPENSE	ED	WA	DL	1,800,970.00		WA ERM Deferral
50	001	431600 - INTEREST EXPENSE ENERGY DEFERRALS	ED	WA	DL	6,234.00		WA ERM Interest Accrual
60	001	186280 - REGULATORY ASSET ERM DEFERRED CURRENT YEAR	ED	WA	DL		6,234.00	WA ERM Interest Accrual
Totals:						1,846,794.00	1,846,794.00	

Amy Parsons
 Prepared by Amy Parsons
 Date: 6/7/12

Amy Parsons
 Reviewed by
 Date: 6/7/12

Approved for Entry
 Corporate Accounting use Only
 Date

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

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

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

Period	Currency	PTD	PTD Converted	YTD	YTD Converted
201113	USD	0.00		-12,947,628.00	
201201	USD	12,947,628.00		0.00	
201202	USD	0.00		0.00	
201203	USD	464,646.00		464,646.00	
201204	USD	676,813.00		1,141,459.00	
201205	USD	1,807,204.00		2,948,663.00	

Journal Details Summary Balances

ERM Deferral Balance (Current Year - 2012)

Account 186280.ED.WA

	<u>Amount</u>	<u>Journal ID</u>
Balance 4/30/12	-\$1,141,459.00	
Deferral	-1,800,970.00	481 - WA ERM
Interest	-6,234.00	481 - WA ERM
Balance 5/31/12	<u><u>-\$2,948,663.00</u></u>	
Year to date deferrals	-\$2,939,270.00	
Year to date interest	-9,393.00	
Balance in account	<u><u>-\$2,948,663.00</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%	-3,919,027.00	-979,757.00	-2,939,270.00
Over \$10,000,000 at 10%	0.00	0.00	0.00
Total	<u><u>-\$7,919,027.00</u></u>	<u><u>-\$4,979,757.00</u></u>	<u><u>-\$2,939,270.00</u></u>

Detail Balances (AWISTA CORP) - 001.186290.ED.WA.DL					
Balance Type		Actual			
Currency Type		Total			
Period	Currency	PTD	PTD Converted	YTD	YTD Converted
201113	USD	0.00		0.00	
201201	USD	-12,987,218.00		-12,987,218.00	
201202	USD	39,590.00		-13,026,808.00	
201203	USD	-39,590.00		-13,066,398.00	
201204	USD	39,590.00		-13,105,988.00	
201205	USD	-39,590.00		-13,145,578.00	

ERM Deferral Balance (Prior year - 2011)

Account 186290.ED.WA

Balance 4/30/12
 Interest
 Balance 5/31/12

Amount	Journal ID
-\$13,105,988.00	
-39,590.00	481 - WA ERM
<u>-\$13,145,578.00</u>	

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

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

Period	Currency	PTD	PTD Converted	YTD	YTD Converted
201113	USD	0.00		0.00	
201201	USD	0.00		0.00	
201202	USD	0.00		0.00	
201203	USD	0.00		0.00	
201204	USD	0.00		0.00	
201205	USD	0.00		0.00	

Journal Details Summary Balances

Recoverable Deferral Balance
Account 182350.ED.WA
 Balance 4/30/12
 Interest
 Balance 5/31/12

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

Detail Balances (AVISTA CORP) - 001.283280.ED.WA.DL					
Balance Type			Currency Type		
Actual			Total		
Period	Currency	PTD	PTD Converted	YTD	YTD Converted
201113	USD	0.00		4,531,670.68	
201201	USD	13,856.50		4,545,527.18	
201202	USD	13,856.50		4,559,383.68	
201203	USD	176,482.60		4,735,866.28	
201204	USD	250,741.05		4,986,607.33	
201205	USD	646,377.90		5,632,985.23	

DFIT Associated with ERM Deferrals

Account 283280.ED.WA

Account 186280.ED.WA balance	-\$2,948,663.00
Account 186290.ED.WA balance	-13,145,578.00
Account 182350.ED.WA balance	0.00
Total	<u>-\$16,094,241.00</u>
Federal income tax rate	-35%
Deferred FIT related to deferrals	<u>\$5,632,984</u>
Rounding	1
Balance in account	<u><u>\$5,632,985</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 12/31/11 is		5.645%		Actual cost of debt at 06/30/12 is		5.617%		
The monthly rate is:		0.00470 Before Tax		The monthly rate is:		0.00468 Before Tax		
		0.0030577 After Tax				0.0030425 After Tax		
		35.00% Tax rate				35.00% Tax rate		
Account 186280								0
				January		DFIT Expense		ADFIT
January	ERM Deferral	0		Deferral	0	Operating	0	0
January	Interest		0	Interest	0	Nonoperating		0
01-31-2012	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
02-29-2012	Balance before interest	0			0	Total		0
				March		DFIT Expense		ADFIT
March	ERM Deferral	(463,937)		Deferral	(162,378)	Operating	162,378	
March	Interest		(709)	Interest	(248)	Nonoperating		248
03-31-2012	Balance before interest	(463,937)			(162,626)	Total		162,626
				April		DFIT Expense		ADFIT
April	ERM Deferral	(674,363)		Deferral	(236,027)	Operating	236,027	
April	Interest		(2,450)	Interest	(858)	Nonoperating		858
04-30-2012	Balance before interest	(1,138,300)			(236,885)	Total		236,885
				May		DFIT Expense		ADFIT
May	ERM Deferral	(1,800,970)		Deferral	(630,340)	Operating	630,340	
May	Interest		(6,234)	Interest	(2,182)	Nonoperating		2,182
05-31-2012	Balance before interest	(2,939,270)			(632,522)	Total		632,522
				June		DFIT Expense		ADFIT
June	ERM Deferral	0		Deferral	0	Operating		0
June	Interest		(8,987)	Interest	(3,145)	Nonoperating		3,145
06-30-2012	Balance before interest	(2,939,270)			(3,145)	Total		3,145
	GL Balance including interest	(2,957,650)						
				July		DFIT Expense		ADFIT
July	ERM Deferral	0		Deferral	0	Operating		0
July	Interest		(8,999)	Interest	(3,150)	Nonoperating		3,150
07-31-2012	Balance before interest	(2,957,650)			(3,150)	Total		3,150
				August		DFIT Expense		ADFIT
August	ERM Deferral	0		Deferral	0	Operating		0
August	Interest		(8,999)	Interest	(3,150)	Nonoperating		3,150
08-31-2012	Balance before interest	(2,957,650)			(3,150)	Total		3,150
				September		DFIT Expense		ADFIT
September	ERM Deferral	0		Deferral	0	Operating		0
September	Interest		(8,999)	Interest	(3,150)	Nonoperating		3,150
09-30-2012	Balance before interest	(2,957,650)			(3,150)	Total		3,150
				October		DFIT Expense		ADFIT
October	ERM Deferral	0		Deferral	0	Operating		0
October	Interest		(8,999)	Interest	(3,150)	Nonoperating		3,150
10-31-2012	Balance before interest	(2,957,650)			(3,150)	Total		3,150
				November		DFIT Expense		ADFIT
November	ERM Deferral	0		Deferral	0	Operating		0
November	Interest		(8,999)	Interest	(3,150)	Nonoperating		3,150
11-30-2012	Balance before interest	(2,957,650)			(3,150)	Total		3,150
				December		DFIT Expense		ADFIT
December	ERM Deferral	0		Deferral	0	Operating		0
December	Interest		(8,999)	Interest	(3,150)	Nonoperating		3,150
12-31-2012	Balance before interest	(2,957,650)			(3,150)	Total		3,150
		GL Balance		(1,138,300)		(3,159)		ADFIT Balance
								0
		Update ERM balance to include Interest						399,511
						Check		(399,511)

Changes Semiannually on January 1 and July 1					
The rate is based on Avista's actual cost of debt, updated semiannually.					
The actual cost of debt calculated at 6/30 will be used for the interest calculation from July through December.					
The actual cost of debt calculated at 12/31 will be used for the interest calculation from January through June.					
Interest will be accrued monthly and compounded semi-annually.					
Interest is calculated using the prior month ending balance plus 1/2 month of current month charges times the current after tax interest rate					
Actual cost of debt at 12/31/11 is	5.645%		Actual cost of debt at 06/30/12 is	1.000%	
The monthly rate is:	0.00470	Before Tax	The monthly rate is:	0.00083	Before Tax
	0.0030577	After Tax		0.0005417	After Tax
	35.00%	Tax rate		35.00%	Tax rate
Account 186290					
12-31-2011	GL Balance including interest	(12,947,628)			\$4,531,670
January					
January		0	DFIT Expense		ADFIT
January	Interest	(39,590)	(13,857)	Nonoperating	13,857
01-31-2012	Balance before interest	(12,947,628)	(13,857)	Total	13,857
February					
February		0	DFIT Expense		ADFIT
February	Interest	(39,590)	(13,857)	Nonoperating	13,857
02-28-2012	Balance before interest	(12,947,628)	(13,857)	Total	13,857
March					
March		0	DFIT Expense		ADFIT
March	Interest	(39,590)	(13,857)	Nonoperating	13,857
03-31-2012	Balance before interest	(12,947,628)	(13,857)	Total	13,857
April					
April		0	DFIT Expense		ADFIT
April	Interest	(39,590)	(13,857)	Nonoperating	13,857
04-30-2012	Balance before interest	(12,947,628)	(13,857)	Total	13,857
May					
May		0	DFIT Expense		ADFIT
May	Interest	(39,590)	(13,857)	Nonoperating	13,857
05-31-2012	Balance before interest	(12,947,628)	(13,857)	Total	13,857
June					
June		0	DFIT Expense		ADFIT
June	Interest	(39,590)	(13,857)	Nonoperating	13,857
06-30-2012	Balance before interest	(12,947,628)	(13,857)	Total	13,857
July					
July	GL Balance including interest	(13,185,168)	DFIT Expense		ADFIT
July	ERM Transfer to 182350	13,185,168	Deferral		
07-31-2012	Balance before interest	0	Interest	0	Nonoperating 0
				0	Total 0
August					
August		0	DFIT Expense		ADFIT
August	Interest	0	Deferral	0	Nonoperating 0
08-31-2012	Balance before interest	0	Interest	0	Total 0
September					
September		0	DFIT Expense		ADFIT
September	Interest	0	Deferral	0	Nonoperating 0
09-30-2012	Balance before interest	0	Interest	0	Total 0
October					
October		0	DFIT Expense		ADFIT
October	Interest	0	Deferral	0	Nonoperating 0
10-31-2012	Balance before interest	0	Interest	0	Total 0
November					
November		0	DFIT Expense		ADFIT
November	Interest	0	Deferral	0	Nonoperating 0
11-30-2012	Balance before interest	0	Interest	0	Total 0
December					
December		0	DFIT Expense		ADFIT
December	Interest	0	Deferral	0	Nonoperating 0
12-31-2012	Balance before interest	0	Interest	0	Total 0
	GL Balance	(12,947,628)	(197,950)	ADFIT Balance	4,614,812
	Update ERM balance to include Interest		(13,145,578)		4,600,952
				Check	13,860

Avista Corp. - Resource Accounting
WASHINGTON POWER COST DEFERRALS

Line No.	WASHINGTON ACTUALS	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
1	555 Purchased Power	\$23,141,987	\$20,794,370	\$19,562,184	\$15,582,228	\$14,344,417	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	447 Sale for Resale	(\$13,950,055)	(\$12,418,742)	(\$9,996,182)	(\$9,118,086)	(\$8,828,586)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	501 Thermal Fuel	\$2,994,673	\$2,060,120	\$2,131,703	\$1,107,755	\$227,310	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	547 CT Fuel	\$8,638,904	\$7,667,226	\$4,484,187	\$2,102,862	\$1,198,996	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5	456 Transmission Revenue	(\$990,722)	(\$725,693)	(\$765,880)	(\$895,158)	(\$1,463,279)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	565 Transmission Expense	\$1,495,285	\$1,530,877	\$1,480,538	\$1,427,248	\$1,371,518	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	557 Broker Fees	\$77,415	\$62,390	\$58,865	\$75,121	\$61,843	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	Less Clearwater directly assigned to ID	(\$1,684,910)	(\$1,538,696)	(\$1,141,844)	(\$1,659,201)	(\$1,652,935)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Adjusted Actual Net Expense	\$19,722,577	\$17,431,952	\$15,813,571	\$8,622,769	\$5,259,284	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AUTHORIZED NET EXPENSE-SYSTEM													
10	555 Purchased Power	\$12,917,361	\$11,733,560	\$11,415,839	\$9,228,929	\$6,768,390	\$7,014,446	\$8,036,703	\$9,562,739	\$7,187,264	\$7,175,099	\$10,508,310	\$11,173,530
11	447 Sale for Resale	(\$4,971,201)	(\$4,445,361)	(\$3,677,772)	(\$3,285,131)	(\$3,661,500)	(\$2,904,168)	(\$4,522,777)	(\$2,695,392)	(\$4,625,192)	(\$5,333,974)	(\$6,423,359)	(\$4,412,315)
12	501 Thermal Fuel	\$3,077,916	\$2,852,038	\$2,928,523	\$2,181,146	\$1,469,354	\$1,158,870	\$2,765,418	\$3,115,273	\$3,016,531	\$3,166,434	\$3,066,764	\$3,109,968
13	547 CT Fuel	\$10,117,831	\$9,188,887	\$6,347,309	\$3,075,716	\$1,946,215	\$2,204,865	\$7,105,068	\$10,387,613	\$10,550,699	\$12,385,545	\$12,581,796	\$12,215,779
14	456 Transmission Revenue	(\$1,089,933)	(\$819,912)	(\$917,288)	(\$784,567)	(\$999,459)	(\$1,185,338)	(\$1,148,996)	(\$1,062,294)	(\$1,047,237)	(\$1,035,702)	(\$984,334)	(\$842,050)
15	565 Transmission Expense	\$1,526,636	\$1,474,958	\$1,529,717	\$1,425,005	\$1,430,460	\$1,438,762	\$1,477,824	\$1,441,409	\$1,454,077	\$1,433,340	\$1,473,058	\$1,535,929
16	557 Broker Fees	\$30,500	\$30,500	\$30,500	\$30,500	\$30,500	\$30,500	\$30,500	\$30,500	\$30,500	\$30,500	\$30,500	\$30,500
17	Authorized Net Expense	\$21,609,110	\$20,014,670	\$17,656,818	\$11,871,598	\$6,983,960	\$7,757,937	\$13,743,740	\$20,779,848	\$16,566,842	\$17,821,242	\$20,262,736	\$22,811,341
18	Actual - Authorized Net Expense	(\$1,886,533)	(\$2,582,718)	(\$1,843,247)	(\$3,248,829)	(\$1,724,676)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	Resource Optimization	\$891,615	\$1,114,023	\$912,435	\$646,874	(\$352,587)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20	Adjusted Net Expense	(\$994,918)	(\$1,468,695)	(\$930,812)	(\$2,601,955)	(\$2,077,263)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
21	Washington Allocation	65.16%	65.16%	65.16%	65.16%	65.16%	65.16%	65.16%	65.16%	65.16%	65.16%	65.16%	65.16%
22	Washington Share	(\$648,289)	(\$957,002)	(\$606,517)	(\$1,695,434)	(\$1,353,545)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23	WA Retail Revenue Adjustment (+) Surchage (-) Rebate	(\$511,457)	(\$887,834)	(\$907,483)	\$796,283	(\$1,047,749)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Net Power Cost (+) Surchage (-) Rebate	(\$1,159,746)	(\$1,944,836)	(\$1,514,000)	(\$899,151)	(\$2,401,294)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25	Cumulative Balance	(\$1,159,746)	(\$3,104,582)	(\$4,618,582)	(\$5,517,733)	(\$7,919,027)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Deferral Amount, Cumulative (Customer)	\$0	\$0	(\$463,937)	(\$1,138,300)	(\$2,939,270)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Deferral Amount, Monthly	\$0	\$0	(\$463,937)	(\$674,363)	(\$1,800,970)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Act 557280 Entry: (+) Rebate, (-) Surchage	\$0	\$0	\$463,937	\$674,363	\$1,800,970	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Company Band Gross Margin Impact, Cumulative	(\$1,159,746)	(\$3,104,582)	(\$4,154,646)	(\$4,379,433)	(\$4,979,767)	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

Line No.	Deal Number	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
565 PURCHASED POWER													
1	Short-Term Purchases	\$14,268,874	\$12,428,579	\$12,880,117	\$8,982,130	\$9,483,202	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	Chelan County PUD (Rocky Reach Slice)	\$890,965	\$890,965	\$890,965	\$890,965	\$890,965	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Douglas County PUD (Wells Settlement)	\$30,466	\$30,516	\$108,577	\$177,412	\$175,628	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Douglas County PUD (Wells)	\$100,131	\$150,203	\$150,203	\$150,203	\$150,203	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5	Grant County PUD (Priest Rapids/Wenapur)	\$506,303	\$506,303	\$506,303	\$506,303	\$506,303	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	Bonneville Power Admin. (WNP-3)	\$3,591,877	\$3,245,650	\$1,773,317	\$1,717,470	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	Inland Power & Light - Deer Lake	\$633	\$543	\$626	\$376	\$364	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	Arch Ford (Jim)	\$104,648	\$133,402	\$120,054	\$138,177	\$108,687	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Stinson Lumber	\$182,995	\$117,148	\$119,357	\$87,384	\$129,833	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	City of Spokane-Upper	\$170,615	\$227,490	\$381,561	\$199,029	\$206,051	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	JP Morgan Ventures - Stieland Wind	\$328,047	\$277,952	\$407,597	\$296,356	\$285,009	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12	Rathdrum Power, LLC (Lancaster PPA)	\$2,111,292	\$2,126,325	\$2,009,708	\$1,879,349	\$1,799,356	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	Clearwater (PFI)	\$1,884,910	\$1,598,586	\$1,141,844	\$1,689,201	\$1,652,935	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	WPM Ancillary Services	\$60,802	\$7,260	\$53,813	\$48,663	\$48,663	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	Non-Mon. Accruals	(\$27,951)	(\$75,051)	(\$19,682)	(\$15,733)	(\$7,189)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Total 565 Purchased Power	\$23,141,987	\$20,794,370	\$19,862,184	\$15,582,228	\$14,344,417	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(1) Effective November, 2008, WNP-3 purchase expense has been adjusted to reflect the mid-point price, per Settlement Agreement, Cause No. U-86-99													
447 SALES FOR RESALE													
17	Short-Term Sales	(\$9,802,147)	(\$8,428,516)	(\$7,438,245)	(\$6,747,707)	(\$6,168,836)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18	Peaker LLC/PGE Cap Sale	(\$145,085)	(\$148,215)	(\$145,955)	(\$145,085)	(\$145,955)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	Nichols Pumping Index Sale	(\$90,416)	(\$78,912)	(\$64,227)	(\$31,572)	(\$21,830)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20	Sovereign/Kaiser Load Following	(\$39,497)	(\$6,571)	(\$6,339)	(\$6,339)	(\$6,482)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
21	Pend Oreille DES	(\$1,864,700)	(\$1,480,370)	(\$1,194,090)	(\$919,166)	(\$1,172,399)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
22	SMUD 50 + 25	(\$2,001,372)	(\$2,282,572)	(\$1,110,021)	(\$1,233,042)	(\$1,287,856)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23	Merchant Ancillary Services	(\$13,950,056)	(\$12,418,742)	(\$9,996,182)	(\$9,118,086)	(\$8,828,686)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Total 447 Sales for Resale	(\$13,950,056)	(\$12,418,742)	(\$9,996,182)	(\$9,118,086)	(\$8,828,686)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
501 FUEL-DOLLARS													
25	Kettle Falls Wood-501110	\$1,075,902	\$898,553	\$368,884	(\$19,413)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26	Kettle Falls Gas-501120	(\$958)	\$2	\$8,136	(\$589)	(\$178)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27	Colstrip Coal-501140	\$1,898,482	\$1,147,168	\$1,741,414	\$1,127,757	\$227,488	\$0	\$0	\$0	\$0	\$0	\$0	\$0
28	Colstrip Oil-501160	\$20,837	\$13,347	\$15,269	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
29	Total 501 Fuel Expense	\$2,994,873	\$2,060,120	\$2,131,703	\$1,107,795	\$227,310	\$0	\$0	\$0	\$0	\$0	\$0	\$0
501 FUEL-TONS													
30	Kettle Falls	50,240	43,210	19,413									
31	Colstrip	92,959	91,685	88,194	59,108	32,799							
501 FUEL-COST PER TON													
32	Kettle Falls	wood	\$21.42	\$20.82	\$19.00	\$6.94							
33	Colstrip	coal	\$20.42	\$12.51	\$19.75	\$19.08							
547 FUEL													
34	NE CT Gas/Oil-547213	\$2,305	(\$8)	\$3	\$603	\$176	\$0	\$0	\$0	\$0	\$0	\$0	\$0
35	Boulder Park-547216	\$42,073	\$6,397	\$14,961	\$1,164	\$1,047	\$0	\$0	\$0	\$0	\$0	\$0	\$0
36	Kettle Falls CT-547211	\$4,518,965	\$3,925,119	\$1,764,650	\$790,356	\$74,245	\$0	\$0	\$0	\$0	\$0	\$0	\$0
37	Coyote Springs-547610	\$4,045,593	\$3,734,764	\$2,704,843	\$1,309,873	\$569,122	\$0	\$0	\$0	\$0	\$0	\$0	\$0
38	Lancaster-547312	\$13,214	\$1,300	(\$385)	\$1,403	\$44,508	\$0	\$0	\$0	\$0	\$0	\$0	\$0
39	Rathdrum CT-547310	\$8,638,904	\$7,667,226	\$4,484,187	\$2,102,882	\$1,188,996	\$0	\$0	\$0	\$0	\$0	\$0	\$0
40	Total 547 Fuel Expense	\$20,825,609	\$18,102,974	\$16,181,892	\$9,674,768	\$6,942,137	\$0	\$0	\$0	\$0	\$0	\$0	\$0
41	TOTAL NET EXPENSE												
466 TRANSMISSION REVENUE													
42	456100 ED AN	(\$913,310)	(\$648,281)	(\$688,468)	(\$817,746)	(\$1,385,857)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
43	459705 ED AN	(\$77,412)	(\$77,412)	(\$77,412)	(\$77,412)	(\$77,412)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
44	Total 466 Transmission Revenue	(\$990,722)	(\$725,693)	(\$766,880)	(\$895,158)	(\$1,463,279)	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

Line No.	Deal Number	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
666 TRANSMISSION EXPENSE													
45	565000 ED AN	\$1,493,255	\$1,528,847	\$1,478,508	\$1,425,218	\$1,369,488	\$0	\$0	\$0	\$0	\$0	\$0	\$0
46	565312 ED AN	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
47	565710 ED AN	\$2,030	\$2,030	\$2,030	\$2,030	\$2,030	\$0	\$0	\$0	\$0	\$0	\$0	\$0
48	Total 666 Transmission Expense	\$1,496,285	\$1,530,877	\$1,480,538	\$1,427,248	\$1,371,518	\$0	\$0	\$0	\$0	\$0	\$0	\$0
49	Total 667170 ED AN Broker Fees	\$77,415	\$62,390	\$68,865	\$76,121	\$61,843	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RESOURCE OPTIMIZATION													
50	Econ Dispatch-557010	(\$2,032,479)	(\$809,160)	(\$85,290)	\$2,327,485	\$1,130,624	\$0	\$0	\$0	\$0	\$0	\$0	\$0
51	Econ Dispatch-557150	\$5,918,543	\$8,776,373	\$8,611,364	\$6,300,876	\$4,225,073	\$0	\$0	\$0	\$0	\$0	\$0	\$0
52	Gas Bookouts-557700	\$223,650	\$2,426,636	\$518,338	\$609,000	\$7,153	\$0	\$0	\$0	\$0	\$0	\$0	\$0
53	Gas Bookouts-557111	(\$223,650)	(\$2,426,636)	(\$518,338)	(\$609,000)	(\$7,153)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
54	Intraco Thermal Gas-557730	\$2,715,887	\$7,242,610	\$883,454	\$5,396,524	\$3,514,063	\$0	\$0	\$0	\$0	\$0	\$0	\$0
55	Fuel DispatchFin-456010	\$1,083,256	\$236,776	(\$851,216)	(\$1,929,045)	(\$1,369,704)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
56	Fuel Dispatch-456015	(\$2,946,855)	(\$4,206,969)	(\$4,722,448)	(\$8,932,613)	(\$7,125,100)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
57	Intraco Thermal Gas-456730	(\$3,605,893)	(\$10,218,795)	(\$2,979,518)	(\$1,450,165)	(\$405,064)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
58	Fuel Bookouts-456711	\$0	\$0	\$382,850	\$691,560	\$7,708	\$0	\$0	\$0	\$0	\$0	\$0	\$0
59	Fuel Bookouts-456720	\$0	\$0	(\$382,850)	(\$691,560)	(\$7,708)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
60	Resource Optimization Subtotal	\$1,132,459	\$1,022,835	\$1,056,346	\$713,082	(\$30,108)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
61	REC Rev in Base Rates	\$0	(\$70,833)	(\$70,833)	(\$70,833)	(\$70,833)	(\$70,833)	(\$70,833)	(\$70,833)	(\$70,833)	(\$70,833)	(\$70,833)	(\$70,833)
62	Misc Rev's 466016 ED AN	(\$227,800)	(\$125,000)	(\$195,000)	(\$125,000)	(\$296,776)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
63	REC Revenue Subtotal	(\$227,800)	\$102,500	(\$124,167)	(\$64,167)	(\$310,777)	\$70,833	\$70,833	\$70,833	\$70,833	\$70,833	\$70,833	\$70,833
64	REC Exp Authorized	\$29,760	\$27,840	\$29,760	\$29,760	\$29,760	\$28,800	\$28,760	\$28,760	\$28,800	\$28,800	\$28,800	\$29,760
65	Cleanwater REC - 557160 ED AN	\$29,760	\$27,840	\$29,760	\$29,760	\$29,760	\$28,800	\$28,760	\$28,760	\$28,800	\$28,800	\$28,800	\$29,760
66	REC Purchases Subtotal	\$59,520	\$55,680	\$59,520	\$59,520	\$59,520	\$57,600	\$57,520	\$57,520	\$57,600	\$57,600	\$57,600	\$59,520
67	Wind REC Exp Authorized	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
68	Wind REC Exp Actual 557395	(\$13,344)	(\$11,312)	(\$16,588)	(\$12,061)	(\$11,524)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
69	Wind REC Subtotal	(\$13,344)	(\$11,312)	(\$16,588)	(\$12,061)	(\$11,524)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70	Net Resource Optimization	\$891,615	\$1,114,023	\$912,436	\$648,914	(\$352,687)	\$70,833	\$70,833	\$70,833	\$70,833	\$70,833	\$70,833	\$70,833
71	Adjusted Actual Net Expense	\$22,299,102	\$20,084,671	\$17,867,850	\$10,928,844	\$6,559,632	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

Retail Sales - MWh	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	YTD
Total Billed Sales	534,756	518,002	490,431	459,155	429,820								2,432,166
Deduct Prior Month Unbilled	(405,057)	(391,199)	(376,206)	(370,627)	(322,465)	(309,734)							(2,175,289)
Add Current Month Unbilled	391,199	376,206	370,627	322,465	309,734								1,770,231
Total Retail Sales	520,898	503,009	484,852	410,994	417,089	(309,734)							2,027,108
Test Year Retail Sales	510,744	483,398	466,836	426,802	396,288	410,509	447,904	483,473	416,772	454,738	481,280	549,531	5,528,276
Difference from Test Year	10,154	19,612	18,016	(15,809)	20,801								52,774
Production Rate - \$/MWh	\$50.37	\$50.37	\$50.37	\$50.37	\$50.37	\$50.37	\$50.37	\$50.37	\$50.37	\$50.37	\$50.37	\$50.37	\$50.37
Total Revenue Credit - \$	\$511,457	\$987,834	\$907,483	(\$796,263)	\$1,047,749								\$2,658,240

Value for Pur. in Deferral Calculation Spreadsheet	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	YTD
Actual	(\$511,457) Rebate	(\$987,834) Rebate	(\$907,483) Rebate	\$796,263 Surcharge	(\$1,047,749) Rebate								(\$2,658,240) Rebate
Budget	(\$1,785,275) Rebate	(\$524,815) Rebate	(\$1,695,604) Rebate	(\$27,425) Rebate	(\$2,435,185) Rebate	(\$802,206) Rebate	(\$1,261,770) Rebate	(\$336,125) Rebate	(\$877,416) Rebate	\$163,116 Surcharge	\$109,544 Surcharge	(\$246,633) Rebate	(9,679,993) Rebate
Forecast	(\$1,765,275) Rebate	(\$700,958) Rebate	(\$1,028,850) Rebate	\$202,271 Surcharge									(\$3,290,812) Rebate