

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



STATE OF WASHINGTON
UTILITY AND TRANSPORTATION
COMMISSION
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September 13, 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, August 2012

Dear Mr. Danner:

Enclosed are an original and five copies of Avista Corporation's Power Cost Deferral Report for the month of August 2012. The report includes the monthly energy recovery mechanism (ERM) accounting journal together with backup workpapers. In August actual net power costs were lower than authorized costs by \$2,775,012. The August actual net power costs were lower than authorized costs by \$2,775,012. The year-to-date difference is \$12,417,235 in the rebate direction. A deferral entry of \$2,443,845 was made in the rebate direction. The year-to-date deferral balance, excluding interest, is \$6,675,512 in the rebate direction, which reflects 75% of the amount within the \$4 million to \$10 million sharing band, or \$4,500,000, and 90% of the amount in excess of \$10 million, or \$2,175,512.

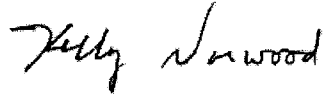
Actual net power costs were lower than the authorized level due primarily to increased hydro generation and lower power and natural gas prices. Hydro generation was 86 aMW above the authorized level. The average power purchase price was \$25.82/MWh compared to an authorized price of \$42.62/MWh. The average natural gas price was \$3.23/dth compared to an authorized price of \$4.32/dth.

Colstrip and Kettle Falls generation was 8 aMW above and 7 aMW below the authorized levels, respectively. Gas-fired generation was 30 aMW below the authorized level. The net transmission expense (transmission expense less transmission revenue) was below the authorized level. Washington retail sales were 22 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 July 2012 shows the calculation of the weighted cost of debt at June 30, 2012, which will be used for the July-December 2012 period.

There were no forward long-term contracts of one year or longer entered into in the month of August 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, slightly slanted 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 AUGUST 2012

Avista Corporation Journal Entry

Effective Date: 201208

Journal: 481-WA ERM

Team: Resource Accounting

Type: C

Category: DJ

Currency: USD

Last Saved by: Cameron Dunlop

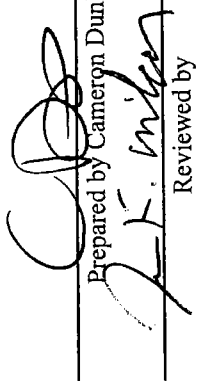
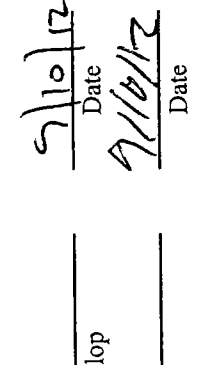
Last Saved: 09/10/2012 2:56 PM

Submitted by: Cameron Dunlop

Approval Requested: 09/10/2012 2:56 PM

Approved by:

Seq	Co.	FERC	Ser.	Jur.	S.I.	Debit	Credit	Comment
10	001	431600 - INTEREST EXPENSE ENERGY DEFERRALS	ED	WA	DL	40,802.00		Prior Year Interest Accrual
20	001	182350 - REGULATORY ASSET ERM APPROVED FOR RECOVERY	ED	WA	DL		40,802.00	Prior Year Interest Accrual
30	001	186280 - REGULATORY ASSET ERM DEFERRED CURRENT YEAR	ED	WA	DL	2,443,845.00		WA ERM Deferral
40	001	557280 - DEFERRED POWER SUPPLY EXPENSE	ED	WA	DL	2,443,845.00		WA ERM Deferral
50	001	431600 - INTEREST EXPENSE ENERGY DEFERRALS	ED	WA	DL	16,935.00		WA ERM Interest Accrual
60	001	186280 - REGULATORY ASSET ERM DEFERRED CURRENT YEAR	ED	WA	DL		16,935.00	WA ERM Interest Accrual
Totals:						2,501,582.00	2,501,582.00	


 Prepared by Cameron Dunlop
 Date: 9/10/12

 Reviewed by
 Date: 9/10/12

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

Approved for Entry
 Corporate Accounting use Only
 Date:

Detail Balances (AVISTA CORP) - 001.186280.ED.WA.DL					
Balance Type			Currency Type		
Actual			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	
201206	USD	519,061.00		3,467,724.00	
201207	USD	-795,045.00		-4,262,769.00	
201208	USD	-2,460,780.00		-6,723,549.00	

ERM Deferral Balance (Current Year - 2012)

Account 186280.ED.WA

	Amount	Journal ID
Balance 7/31/12	-\$4,262,769.00	
Deferral	-2,443,845.00	481 - WA ERM
Interest	-16,935.00	481 - WA ERM
Balance 8/31/12	-\$6,723,549.00	
Year to date deferrals	-\$6,675,512.00	
Year to date interest	-48,037.00	
Balance in account	-\$6,723,549.00	

	Total	Absorbed	Deferred
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%	-2,417,235.00	-241,723.00	-2,175,512.00
Total	-\$12,417,235.00	-\$5,741,723.00	-\$6,675,512.00

Detail Balances (AVISTA CORP) - 001.186290.ED.WA.DL					
Balance Type			Currency Type		
Actual			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		-13,026,608.00	
201203	USD	39,590.00		-13,066,398.00	
201204	USD	39,590.00		-13,105,988.00	
201205	USD	39,590.00		-13,145,578.00	
201206	USD	13,145,578.00		0.00	
201207	USD	0.00		0.00	
201208	USD	0.00		0.00	

ERM Deferral Balance (Prior year - 2011)

Account 186290.ED.WA

Balance 7/31/12
 No current month entries
 Balance 8/31/12

Amount	Journal ID
\$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
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	
201206	USD	-13,185,168.00		-13,185,168.00	
201207	USD	-40,802.00		-13,225,970.00	
201208	USD	-40,802.00		-13,266,772.00	

Journal Details Summary Balances

Recoverable Deferral Balance
Account 182350.ED.WA
 Balance 7/31/12
 Interest
 Balance 8/31/12

Amount	Journal ID
-\$13,225,970.00	
-40,802.00	481 - WA ERM
<u><u>-\$13,266,772.00</u></u>	

Detail Balances (AVISTA CORP) - 001.283280.ED.WA.DL

Balance Type: **Actual** Currency Type: **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	
201206	USD	195,527.85		5,828,513.08	
201207	USD	292,546.45		6,121,059.53	
201208	USD	875,553.70		6,996,613.23	

Journal Details Summary Balances

DFIT Associated with ERM Deferrals

Account 283280.ED.WA

Account 186280.ED.WA balance	-\$6,723,549.00
Account 186290.ED.WA balance	0.00
Account 182350.ED.WA balance	-13,266,772.00
Total	-\$19,990,321.00
Federal income tax rate	-35%
Deferred FIT related to deferrals	\$6,996,612
Rounding	1
Balance in account	<u>\$6,996,613</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		5.713%
The monthly rate is:		0.00470 Before Tax	The monthly rate is:		0.00476 Before Tax
		0.0030577 After Tax			0.0030945 After Tax
		35.00% Tax rate			35.00% Tax rate
Account 186280					
0					
January					
			DFIT Expense		ADFIT
January	ERM Deferral	0	Deferral	0	Operating 0
January	Interest		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		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		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		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		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	(509,295)	Deferral	(178,253)	Operating 178,253
June	Interest		Interest	(3,418)	Nonoperating 3,418
06-30-2012	Balance before interest	(3,448,565)		(181,671)	Total 181,671
			DFIT Expense		ADFIT
July	ERM Deferral	(783,102)	Deferral	(274,086)	Operating 274,086
July	Interest		Interest	(4,180)	Nonoperating 4,180
07-31-2012	Balance before interest	(4,250,826)		(278,266)	Total 278,266
August					
			DFIT Expense		ADFIT
August	ERM Deferral	(2,443,845)	Deferral	(855,346)	Operating 855,346
August	Interest		Interest	(5,927)	Nonoperating 5,927
08-31-2012	Balance before interest	(6,694,671)		(861,273)	Total 861,273
September					
			DFIT Expense		ADFIT
September	ERM Deferral	0	Deferral	0	Operating 0
September	Interest		Interest	(7,251)	Nonoperating 7,251
09-30-2012	Balance before interest	(6,694,671)		(7,251)	Total 7,251
October					
			DFIT Expense		ADFIT
October	ERM Deferral	0	Deferral	0	Operating 0
October	Interest		Interest	(7,251)	Nonoperating 7,251
10-31-2012	Balance before interest	(6,694,671)		(7,251)	Total 7,251
November					
			DFIT Expense		ADFIT
November	ERM Deferral	0	Deferral	0	Operating 0
November	Interest		Interest	(7,251)	Nonoperating 7,251
11-30-2012	Balance before interest	(6,694,671)		(7,251)	Total 7,251
December					
			DFIT Expense		ADFIT
December	ERM Deferral	0	Deferral	0	Operating 0
December	Interest		Interest	(7,251)	Nonoperating 7,251
12-31-2012	Balance before interest	(6,694,671)		(7,251)	Total 7,251
GL Balance		(4,250,826)	(11,943)	ADFIT Balance	
Update ERM balance to include Interest			(4,262,769)		
					1,491,969
Check					(1,491,969)

Changes Semiannually on January 1 and July 1									
The rate is based on Avista's actual cost of debt, updated semiannually.									
The actual cost of debt calculated at 6/30 will be used for the interest calculation from July through December.									
The actual cost of debt calculated at 12/31 will be used for the interest calculation from January through June.									
Interest will be accrued monthly and compounded semi-annually.									
Interest is calculated using the prior month ending balance plus 1/2 month of current month charges times the current after tax interest rate									
Actual cost of debt at 12/31/11 is		5.645%		Actual cost of debt at 06/30/12 is		5.713%			
The monthly rate is:		0.00470		Before Tax		The monthly rate is:		0.00476	
		0.0030577		After Tax				0.0030945	
		35.00%		Tax rate				35.00%	
Account 182350									
12-31-2011		GL Balance including interest		0				0	
						January		DFIT Expense	
								ADFIT	
January		Surcharge Amortization		0		Amortization		0	
January		Interest		0		Interest		0	
01-31-2012		Balance before interest		0				0	
						February		DFIT Expense	
								ADFIT	
February		Surcharge Amortization		0		Amortization		0	
February		Interest		0		Interest		0	
02-28-2012		Balance before interest		0				0	
						March		DFIT Expense	
								ADFIT	
March		Surcharge Amortization		0		Amortization		0	
March		Interest		0		Interest		0	
03-31-2012		Balance before interest		0				0	
						April		DFIT Expense	
								ADFIT	
April		Surcharge Amortization		0		Amortization		0	
April		Interest		0		Interest		0	
04-30-2012		Balance before interest		0				0	
						May		DFIT Expense	
								ADFIT	
May		Surcharge Amortization		0		Amortization		0	
May		Interest		0		Interest		0	
05-31-2012		Balance before interest		0				0	
						June		DFIT Expense	
								ADFIT	
June		Surcharge Amortization		0		Amortization		0	
June		Interest		0		Interest		0	
06-30-2012		Balance including interest		(13,185,168)				0	
						July		DFIT Expense	
								ADFIT	
July		GL Balance including interest		(13,185,168)		Amortization		0	
July		Surcharge Amortization		0		Interest		(14,281)	
07-31-2012		Balance before interest		(13,185,168)				(14,281)	
						August		DFIT Expense	
								ADFIT	
August		Surcharge Amortization		0		Amortization		0	
August		Interest		(40,802)		Interest		(14,281)	
08-31-2012		Balance before interest		(13,185,168)				(14,281)	
						September		DFIT Expense	
								ADFIT	
September		Surcharge Amortization		0		Amortization		0	
September		Interest		(40,802)		Interest		(14,281)	
09-30-2012		Balance before interest		(13,185,168)				(14,281)	
						October		DFIT Expense	
								ADFIT	
October		Surcharge Amortization		0		Amortization		0	
October		Interest		(40,802)		Interest		(14,281)	
10-31-2012		Balance before interest		(13,185,168)				(14,281)	
						November		DFIT Expense	
								ADFIT	
November		Surcharge Amortization		0		Amortization		0	
November		Interest		(40,802)		Interest		(14,281)	
11-30-2012		Balance before interest		(13,185,168)				(14,281)	
						December		DFIT Expense	
								ADFIT	
December		Surcharge Amortization		0		Amortization		0	
December		Interest		(40,802)		Interest		(14,281)	
12-31-2012		Balance before interest		(13,185,168)				(14,281)	
		GL Balance		(13,185,168.00)		(40,802)		ADFIT Balance	
								0	
		Update ERM balance to include interest		(13,225,970.00)					
								Check	
								(4,629,090)	
		GL Wand		(13,225,970.00)					

Avista Corp. - Resource Accounting
WASHINGTON POWER COST DEFERRALS

Line No.	WASHINGTON ACTUALS	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
1	555 Purchased Power	\$23,141,987	\$20,794,370	\$19,562,184	\$15,582,228	\$14,344,417	\$14,388,492	\$20,047,557	\$21,177,850	\$0	\$0	\$0	\$0
2	447 Sale for Resale	(\$13,950,055)	(\$12,418,742)	(\$9,996,182)	(\$9,118,086)	(\$8,828,586)	(\$8,800,004)	(\$11,449,453)	(\$13,066,498)	\$0	\$0	\$0	\$0
3	501 Thermal Fuel	\$2,994,673	\$2,060,120	\$2,131,703	\$1,107,755	\$227,310	\$1,053,807	\$1,886,877	\$4,066,624	\$0	\$0	\$0	\$0
4	547 CT Fuel	\$8,638,904	\$7,667,226	\$4,484,187	\$2,102,862	\$1,198,996	\$1,199,228	\$3,643,106	\$6,804,943	\$0	\$0	\$0	\$0
5	456 Transmission Revenue	(\$990,722)	(\$725,693)	(\$765,880)	(\$895,158)	(\$1,464,906)	(\$1,463,279)	(\$1,383,720)	(\$1,254,831)	\$0	\$0	\$0	\$0
6	565 Transmission Expense	\$1,495,285	\$1,530,877	\$1,480,538	\$1,427,248	\$1,371,518	\$1,420,883	\$1,420,256	\$1,460,814	\$0	\$0	\$0	\$0
7	557 Broker Fees	\$77,415	\$62,390	\$58,865	\$75,121	\$61,843	\$65,621	\$82,534	\$77,307	\$0	\$0	\$0	\$0
8	Less Cleanwater directly assigned to ID	(\$1,684,910)	(\$1,538,596)	(\$1,141,844)	(\$1,659,201)	(\$1,652,935)	(\$1,440,266)	(\$1,454,087)	(\$1,482,371)	\$0	\$0	\$0	\$0
9	Adjusted Actual Net Expense	\$19,722,577	\$17,431,952	\$15,813,571	\$8,622,769	\$5,259,284	\$6,422,855	\$12,793,070	\$17,783,838	\$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)	(\$6,423,358)	(\$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	(\$1,088,933)	(\$819,912)	(\$917,298)	(\$784,567)	(\$999,459)	(\$1,185,338)	(\$1,148,996)	(\$1,062,294)	(\$1,047,237)	(\$1,035,702)	(\$984,334)	(\$842,050)
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	\$11,871,698	\$6,983,960	\$7,767,937	\$13,743,740	\$20,779,848	\$16,566,642	\$17,821,242	\$20,252,736	\$22,811,341
18	Actual - Authorized Net Expense	(\$1,888,533)	(\$2,682,718)	(\$1,843,247)	(\$3,248,829)	(\$1,724,676)	(\$1,335,082)	(\$850,870)	(\$2,996,010)	\$0	\$0	\$0	\$0
19	Resource Optimization	\$891,615	\$1,114,023	\$912,435	\$646,874	(\$352,587)	(\$794,487)	\$253,506	(\$12,760)	\$0	\$0	\$0	\$0
20	Adjusted Net Expense	(\$994,918)	(\$1,468,695)	(\$930,812)	(\$2,601,955)	(\$2,077,263)	(\$2,129,569)	(\$697,164)	(\$3,008,770)	\$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)	(\$1,695,454)	(\$1,353,545)	(\$1,387,627)	(\$454,272)	(\$1,960,515)	\$0	\$0	\$0	\$0
23	WA Retail Revenue Adjustment (+) Surcharge (-) Rebate	(\$511,457)	(\$987,834)	(\$907,483)	\$796,263	(\$1,047,749)	\$708,567	(\$589,864)	(\$814,497)	\$0	\$0	\$0	\$0
24	Net Power Cost (+) Surcharge (-) Rebate	(\$1,159,746)	(\$1,944,836)	(\$1,514,000)	(\$899,161)	(\$2,401,294)	(\$679,060)	(\$1,044,136)	(\$2,775,012)	\$0	\$0	\$0	\$0
25	Cumulative Balance	(\$1,159,746)	(\$3,104,582)	(\$4,618,582)	(\$5,517,733)	(\$7,919,027)	(\$8,598,087)	(\$9,642,223)	(\$12,417,235)	\$0	\$0	\$0	\$0
	input 10,000,000 and up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,417,235)	#VALUE!	#VALUE!	#VALUE!	#VALUE!
	input 4,000,000 to \$10M	\$0	\$0	(\$618,582)	(\$1,517,733)	(\$3,919,027)	(\$4,598,087)	(\$5,642,223)	(\$6,000,000)	\$0	\$0	\$0	\$0
	input 0 to \$4M	(\$1,159,746)	(\$3,104,582)	(\$4,000,000)	(\$4,000,000)	(\$4,000,000)	(\$4,000,000)	(\$4,000,000)	(\$4,000,000)	\$0	\$0	\$0	\$0
	check # should be zero	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Deferral Amount, Cumulative (Customer)	\$0	\$0	(\$463,937)	(\$1,138,300)	(\$2,939,270)	(\$3,448,565)	(\$4,231,667)	(\$6,675,512)	\$0	\$0	\$0	\$0
	Deferral Amount, Monthly	\$0	\$0	(\$463,937)	(\$674,363)	(\$1,800,970)	(\$509,295)	(\$783,102)	(\$2,443,845)	\$0	\$0	\$0	\$0
	Acct 557280 Entry: (+) Rebate, (-) Surcharge	\$0	\$0	\$463,937	\$674,363	\$1,800,970	\$509,295	\$783,102	\$2,443,845	\$0	\$0	\$0	\$0
	Company Band Gross Margin Impact, Cumulative	(\$1,159,746)	(\$3,104,582)	(\$4,154,645)	(\$4,379,433)	(\$4,979,757)	(\$5,149,522)	(\$5,410,556)	(\$6,741,723)	\$0	\$0	\$0	\$0

Avista Corp. - 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
555 PURCHASED POWER													
1	Short-Term Purchases	\$14,268,874	\$12,428,579	\$12,880,117	\$8,882,130	\$9,483,202	\$9,513,674	\$15,092,353	\$16,539,101	\$0	\$0	\$0	\$0
2	Chelan County PUD (Rocky Reach Slice)	\$890,965	\$890,965	\$890,965	\$890,965	\$890,965	\$890,965	\$1,006,364	\$1,006,364	\$0	\$0	\$0	\$0
3	Douglas County PUD (Wells Settlement)	\$30,466	\$30,516	\$108,577	\$177,412	\$175,626	\$167,981	\$167,981	\$167,981	\$0	\$0	\$0	\$0
4	Douglas County PUD (Wells)	\$150,203	\$150,203	\$150,203	\$150,203	\$150,203	\$150,203	\$150,203	\$150,203	\$0	\$0	\$0	\$0
5	Grant County PUD (Priest Rapids/Wenapur)	\$506,303	\$506,303	\$506,303	\$506,303	\$506,303	\$506,303	\$506,303	\$506,303	\$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	\$628	\$376	\$364	\$521	\$172	\$558	\$0	\$0	\$0	\$0
8	Small Power	\$104,648	\$139,402	\$120,054	\$138,177	\$109,687	\$126,054	\$141,472	\$98,143	\$0	\$0	\$0	\$0
9	Stimson Lumber	\$191,934	\$177,148	\$116,357	\$87,384	\$129,893	\$153,226	\$161,885	\$189,692	\$0	\$0	\$0	\$0
10	City of Spokane-Upriver	\$170,615	\$227,940	\$381,561	\$199,029	\$206,051	\$254,861	\$186,460	\$4,888	\$0	\$0	\$0	\$0
11	JP Morgan Ventures - Stialene Wind	\$328,047	\$277,952	\$407,597	\$296,356	\$265,009	\$368,467	\$308,555	\$308,555	\$0	\$0	\$0	\$0
12	Ratindrum Power, LLC (Lancaster PPA)	\$2,111,292	\$2,126,325	\$2,009,708	\$1,879,349	\$1,799,356	\$1,794,111	\$1,897,511	\$2,068,662	\$0	\$0	\$0	\$0
13	Clearwater (PH)	\$1,684,610	\$1,538,566	\$1,141,644	\$1,659,201	\$1,652,935	\$1,440,266	\$1,454,087	\$1,482,371	\$0	\$0	\$0	\$0
14	WPM Ancillary Services	\$60,602	\$57,260	\$53,813	\$50,517	\$48,663	\$46,251	\$53,719	\$52,918	\$0	\$0	\$0	\$0
15	Non-Mon. Accruals	(\$27,951)	(\$75,081)	\$18,682	\$15,733	(\$1,189)	\$34,355	\$74,617	(\$139,538)	\$0	\$0	\$0	\$0
16	Total 555 Purchased Power	\$23,141,987	\$20,794,370	\$19,582,184	\$15,682,228	\$14,344,417	\$14,388,492	\$20,047,657	\$21,177,850	\$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													
555 PURCHASED POWER													
555000	Fin Swaps	\$13,410,946	\$12,659,739	\$10,539,564	\$8,526,211	\$7,334,593	\$6,943,073	\$9,308,972	\$13,561,753	\$0	\$0	\$0	\$0
555112	Lancaster	\$2,784,288	\$2,959,601	\$4,657,310	\$3,248,343	\$3,681,127	\$4,044,286	\$5,989,393	\$2,522,277	\$0	\$0	\$0	\$0
555313	Lancaster	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
555380	Clearwater	\$1,884,910	\$1,538,596	\$1,141,644	\$1,659,201	\$1,652,935	\$1,440,266	\$1,454,087	\$1,482,371	\$0	\$0	\$0	\$0
555550	NonMonetary	(\$27,951)	(\$75,081)	\$18,682	\$15,733	(\$1,189)	\$34,355	\$74,617	(\$139,538)	\$0	\$0	\$0	\$0
555700	Bookouts	\$4,871,281	\$3,330,844	\$2,974,270	\$1,911,068	\$1,634,288	\$1,880,081	\$3,168,769	\$3,668,069	\$0	\$0	\$0	\$0
555710	Intercompany Ancillar	\$60,602	\$57,260	\$53,813	\$50,517	\$48,663	\$46,251	\$53,719	\$52,918	\$0	\$0	\$0	\$0
WNP3 Mid Point Bonneville Power Ad.		\$357,911	\$323,411	\$176,701	\$171,137	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Total 447 Sales for Resale	\$23,141,987	\$20,794,370	\$19,582,184	\$15,682,228	\$14,344,417	\$14,388,492	\$20,047,657	\$21,177,850	\$0	\$0	\$0	\$0
447 SALES FOR RESALE													
17	Short-Term Sales	(\$9,802,147)	(\$8,428,516)	(\$7,436,245)	(\$6,747,707)	(\$6,188,836)	(\$6,198,042)	(\$6,447,391)	(\$9,413,147)	\$0	\$0	\$0	\$0
18	Peaker LLO/PGE Cap Sale	(\$145,065)	(\$146,215)	(\$145,955)	(\$145,065)	(\$145,955)	(\$146,150)	(\$146,085)	(\$146,020)	\$0	\$0	\$0	\$0
19	Nichols Pumping Index Sale	(\$90,416)	(\$78,912)	(\$64,227)	(\$31,572)	(\$21,830)	(\$17,547)	(\$60,885)	(\$18,146)	\$0	\$0	\$0	\$0
20	Sovetign/Kaiser Load Following	(\$8,838)	(\$6,571)	(\$6,812)	(\$6,339)	(\$6,462)	(\$6,531)	(\$6,604)	(\$6,542)	\$0	\$0	\$0	\$0
21	Pend Oreille DES	(\$39,487)	(\$35,586)	(\$38,832)	(\$35,175)	(\$25,248)	(\$24,167)	(\$35,147)	(\$35,533)	\$0	\$0	\$0	\$0
22	SMUD 50 + 25	(\$1,864,370)	(\$1,460,370)	(\$1,194,090)	(\$918,166)	(\$1,172,399)	(\$1,136,065)	(\$1,620,981)	(\$2,177,006)	\$0	\$0	\$0	\$0
23	Merchant Ancillary Services	(\$2,001,372)	(\$2,282,572)	(\$1,110,021)	(\$1,233,042)	(\$1,287,856)	(\$1,269,502)	(\$1,132,560)	(\$1,172,104)	\$0	\$0	\$0	\$0
24	Total 447 Sales for Resale	(\$13,950,056)	(\$12,418,742)	(\$9,996,182)	(\$9,118,088)	(\$8,828,686)	(\$8,800,004)	(\$11,449,453)	(\$13,066,498)	\$0	\$0	\$0	\$0
447 SALES FOR RESALE													
447000		(\$6,798,387)	(\$6,583,268)	(\$3,822,611)	(\$3,401,197)	(\$2,780,876)	(\$2,655,043)	(\$4,640,828)	(\$7,588,169)	\$0	\$0	\$0	\$0
447100		(\$1,254,768)	(\$1,124,509)	(\$2,850,237)	(\$2,213,556)	(\$2,733,797)	(\$2,971,952)	(\$2,972,453)	(\$815,393)	\$0	\$0	\$0	\$0
447313		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
447700		(\$3,834,946)	(\$2,391,133)	(\$2,159,500)	(\$2,219,774)	(\$1,977,394)	(\$1,857,258)	(\$2,649,893)	(\$3,437,914)	\$0	\$0	\$0	\$0
447710		(\$60,602)	(\$57,260)	(\$53,813)	(\$50,517)	(\$48,663)	(\$46,251)	(\$53,719)	(\$52,918)	\$0	\$0	\$0	\$0
447720		(\$2,001,372)	(\$2,282,572)	(\$1,110,021)	(\$1,233,042)	(\$1,287,856)	(\$1,269,502)	(\$1,132,560)	(\$1,172,104)	\$0	\$0	\$0	\$0
25	Total 447 Sales for Resale	(\$13,950,056)	(\$12,418,742)	(\$9,996,182)	(\$9,118,088)	(\$8,828,686)	(\$8,800,004)	(\$11,449,453)	(\$13,066,498)	\$0	\$0	\$0	\$0
501 FUEL-DOLLARS													
25	Kettle Falls Wood-501110	\$1,075,902	\$899,553	\$388,884	(\$19,413)	\$0	\$0	\$488,004	\$903,567	\$0	\$0	\$0	\$0
26	Kettle Falls Gas-501120	(\$588)	\$52	\$6,136	(\$589)	(\$178)	(\$133)	\$3,263	\$44	\$0	\$0	\$0	\$0
27	Colstrip Coal-501140	\$1,898,482	\$1,147,168	\$1,741,414	\$1,127,757	\$227,488	\$1,037,138	\$1,315,171	\$3,137,447	\$0	\$0	\$0	\$0
28	Colstrip Oil-501160	\$20,837	\$13,347	\$15,269	\$0	\$0	\$16,602	\$79,438	\$25,566	\$0	\$0	\$0	\$0
29	Total 501 Fuel Expense	\$2,994,673	\$2,060,120	\$2,131,703	\$1,107,765	\$227,310	\$1,063,807	\$1,886,877	\$4,066,624	\$0	\$0	\$0	\$0
501 FUEL-TONS													
30	Kettle Falls	50,240	43,210	19,413	0	0	0	25,701	46,049	\$0	\$0	\$0	\$0
31	Colstrip	92,959	91,665	68,194	59,108	32,799	44,605	61,832	98,259	\$0	\$0	\$0	\$0
32	Total 501 Fuel-Cost PER TON	\$21.42	\$20.82	\$19.00	\$19.08	\$6.94	\$23.25	\$19.03	\$18.81	\$0	\$0	\$0	\$0
33	Colstrip	\$20.42	\$12.51	\$19.75	\$19.08	\$6.94	\$23.25	\$21.27	\$31.93	\$0	\$0	\$0	\$0
547 FUEL													

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
34	NE CT Gas/Oil-547213	\$2,305	(\$8)	\$3	\$603	\$176	\$488	\$756	\$643	\$0	\$0	\$0	\$0
35	Boulder Park-547216	\$42,073	\$6,367	\$14,961	\$1,164	\$11,047	\$9,612	(\$36)	\$23,310	\$0	\$0	\$0	\$0
36	Kettle Falls CT-547211	\$16,754	(\$316)	\$115	(\$337)	(\$102)	(\$67)	(\$750)	\$5,503	\$0	\$0	\$0	\$0
37	Coyote Springs2-547610	\$4,518,965	\$3,925,119	\$1,764,650	\$790,356	\$574,245	\$651,010	\$1,778,059	\$3,225,521	\$0	\$0	\$0	\$0
38	Lancaster-547312	\$4,045,593	\$3,734,764	\$2,704,843	\$1,309,673	\$569,122	\$528,509	\$1,817,405	\$3,472,779	\$0	\$0	\$0	\$0
39	Raindium,CT-547310	\$13,214	\$1,300	(\$385)	\$1,403	\$44,508	\$9,466	\$47,671	\$77,167	\$0	\$0	\$0	\$0
40	Total 547 Fuel Expense	\$8,638,904	\$7,667,226	\$4,484,187	\$2,102,862	\$1,196,986	\$1,199,228	\$3,843,106	\$6,804,943	\$0	\$0	\$0	\$0
41	TOTAL NET EXPENSE	\$20,825,608	\$18,102,974	\$16,181,892	\$9,674,759	\$6,942,137	\$7,841,523	\$14,128,087	\$18,982,919	\$0	\$0	\$0	\$0
42	455 TRANSMISSION REVENUE												
43	455100 ED AN	201201	201202	201203	201204	201205	201206	201207	201208	201209	201210	201211	201212
43	455105 ED AN	(\$913,310)	(\$648,281)	(\$688,468)	(\$817,746)	(\$1,385,867)	(\$1,367,494)	(\$1,306,308)	(\$1,177,419)	\$0	\$0	\$0	\$0
44	Total 455 Transmission Revenue	(\$990,722)	(\$725,693)	(\$765,880)	(\$895,158)	(\$1,463,279)	(\$1,464,906)	(\$1,383,720)	(\$1,264,831)	\$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	TRANSMISSION EXPENSE												
45	565000 ED AN	\$1,493,255	\$1,528,847	\$1,478,508	\$1,425,218	\$1,369,488	\$1,418,853	\$1,418,226	\$1,458,784	\$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	\$2,030	\$2,030	\$2,030	\$0	\$0	\$0	\$0
48	Total 565 Transmission Expense	\$1,495,285	\$1,530,877	\$1,480,538	\$1,427,248	\$1,371,518	\$1,420,883	\$1,420,256	\$1,460,814	\$0	\$0	\$0	\$0
49	Total 657170 ED AN Broker Fees	\$77,415	\$62,390	\$58,865	\$75,121	\$61,843	\$65,621	\$62,534	\$77,307	\$0	\$0	\$0	\$0
RESOURCE OPTIMIZATION													
50	Econ Dispatch-557010	(\$2,032,479)	(\$809,160)	(\$65,290)	\$2,327,485	\$1,130,624	\$370,598	\$2,947,144	\$1,451,328	\$0	\$0	\$0	\$0
51	Econ Dispatch-557150	\$5,918,543	\$8,778,373	\$6,811,364	\$6,300,876	\$4,225,073	\$6,397,861	\$7,382,492	\$4,395,767	\$0	\$0	\$0	\$0
52	Gas Bookouts-557700	\$223,650	\$2,426,636	\$518,338	\$609,000	\$7,153	\$161,161	\$0	\$0	\$0	\$0	\$0	\$0
53	Gas Bookouts-557711	(\$223,650)	(\$2,426,636)	(\$518,338)	(\$609,000)	(\$7,153)	(\$161,161)	\$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	\$1,390,720	\$3,797,546	\$2,570,784	\$0	\$0	\$0	\$0
55	Fuel DispatchFin-456010	\$1,083,256	\$236,776	(\$851,216)	(\$1,929,045)	(\$1,369,704)	(\$605,342)	(\$3,434,471)	(\$1,684,948)	\$0	\$0	\$0	\$0
56	Fuel Dispatch-456015	(\$2,946,855)	(\$4,206,969)	(\$4,722,448)	(\$9,932,613)	(\$7,125,100)	(\$7,570,556)	(\$9,524,914)	(\$5,902,019)	\$0	\$0	\$0	\$0
57	Intraco Thermal Gas-456730	(\$3,605,893)	(\$10,218,795)	(\$2,979,518)	(\$1,450,165)	(\$405,064)	(\$206,231)	(\$932,550)	(\$905,814)	\$0	\$0	\$0	\$0
58	Fuel Bookouts-456711	\$0	\$0	\$392,850	\$691,560	\$7,708	\$12,113	\$381,481	\$0	\$0	\$0	\$0	\$0
59	Fuel Bookouts-456720	\$0	\$0	(\$382,850)	(\$691,560)	(\$7,708)	(\$12,113)	(\$381,481)	\$0	\$0	\$0	\$0	\$0
60	Resource Optimization Subtotal	\$1,132,459	\$1,022,835	\$1,056,346	\$713,062	(\$30,108)	(\$422,950)	\$236,247	(\$74,902)	\$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 456016 ED AN	(\$227,600)	(\$125,000)	(\$196,000)	(\$125,000)	(\$295,776)	(\$427,374)	(\$40,000)	\$0	\$0	\$0	\$0	\$0
63	REC Revenue Subtotal	(\$227,600)	\$102,800	(\$124,167)	(\$64,167)	(\$310,777)	(\$366,641)	\$30,833	\$70,833	\$70,833	\$70,833	\$70,833	\$70,833
64	REC Exp Authorized	\$29,760	\$27,840	\$29,760	\$28,760	\$29,760	\$28,800	\$29,760	\$29,760	\$28,800	\$29,800	\$28,800	\$29,760
65	Cleanwater REC - 557180 ED AN	\$29,760	\$27,840	\$26,804	\$28,800	\$29,582	\$28,800	\$29,760	\$29,760	\$0	\$0	\$0	\$0
66	REC Purchases Subtotal	\$0	\$0	(\$3,156)	\$40	(\$178)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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)	(\$18,588)	(\$12,061)	(\$11,524)	(\$14,996)	(\$12,574)	(\$9,691)	\$0	\$0	\$0	\$0
69	Wind REC Subtotal	(\$13,344)	(\$11,312)	(\$16,688)	(\$12,061)	(\$11,524)	(\$14,996)	(\$12,574)	(\$9,691)	\$0	\$0	\$0	\$0
70	Net Resource Optimization	\$891,615	\$1,114,023	\$912,435	\$646,874	(\$362,667)	(\$794,487)	\$253,506	(\$12,760)	\$0	\$0	\$0	\$0
71	Adjusted Actual Net Expense	\$22,299,102	\$20,084,671	\$17,867,860	\$10,928,644	\$6,659,632	\$7,063,634	\$14,600,653	\$19,263,449	\$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	415,990	419,539	466,041					3,733,736
Deduct Prior Month Unbilled	(405,057)	(391,199)	(376,206)	(370,627)	(322,465)	(309,734)	(290,186)	(330,261)	-	-	-	-	(2,795,736)
Add Current Month Unbilled	391,199	376,206	370,627	322,465	309,734	290,186	330,261	363,864					2,754,542
Total Retail Sales	520,898	503,009	484,852	410,994	417,089	396,442	459,615	499,644	-	-	-	-	3,692,543
Test Year Retail Sales	510,744	483,398	466,836	426,802	396,288	410,509	447,904	483,473	416,772	464,738	481,280	549,531	5,528,276
Difference from Test Year	10,154	19,612	18,016	(15,809)	20,801	(14,067)	11,711	16,170					66,588
Production Rate - \$/MWh	\$50.37	\$50.37	\$50.37	\$50.37	\$50.37	\$50.37	\$50.37	\$50.37	\$50.37	\$50.37	\$50.37	\$50.37	\$50.37
Total Revenue Credit - \$	\$511,457	\$987,834	\$907,483	(\$796,283)	\$1,047,749	(\$708,567)	\$589,864	\$814,497					\$3,354,034