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STATE OF WASHINGTON
UTIL. AND TRANSPORTATION
COMMISSION

October 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, September 2012

Dear Mr. Danner:

Enclosed are an original and five copies of Avista Corporation's Power Cost Deferral Report for the month of September 2012. The report includes the monthly energy recovery mechanism (ERM) accounting journal together with backup workpapers. In September actual net power costs were higher than authorized costs by \$390,844. The year-to-date difference is \$12,026,391 in the rebate direction. A deferral entry of \$351,760 was made in the surcharge direction. The year-to-date deferral balance, excluding interest, is \$6,323,752 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 \$1,823,752.

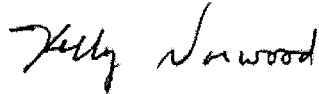
Actual net power costs were higher than the authorized level due primarily to lower hydro generation, partially offset by lower power and natural gas prices. Hydro generation was 77 aMW below the authorized level. The average power purchase price was \$25.83/MWh compared to an authorized price of \$39.32/MWh. The average natural gas price was \$2.97/dth compared to an authorized price of \$4.31/dth.

Colstrip and Kettle Falls generation was 13 aMW above and 10 aMW below the authorized levels, respectively. Gas-fired generation was 126 aMW below the authorized level. The net transmission expense (transmission expense less transmission revenue) was above the authorized level. Washington retail sales were 7 aMW below 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 September 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, 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 2012

Avista Corporation Journal Entry

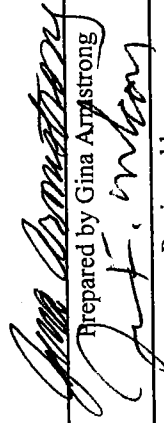
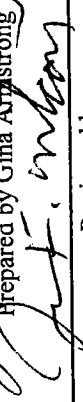
Effective Date: 201209

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

Last Saved by: Gina Armstrong
 Submitted by: Gina Armstrong
 Approved by:

Last Saved: 10/04/2012 5:26 PM
 Approval Requested: 10/04/2012 5:27 PM

Seq	Co.	FERC	ED	DL	WA	DL	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	ED	WA	DL			40,802.00	Prior Year Interest Accrual
		FOR RECOVERY							
30	001	186280 - REGULATORY ASSET ERM DEFERRED	ED	WA	DL		351,760.00		WA ERM Deferral
		CURRENT YEAR							
40	001	557280 - DEFERRED POWER SUPPLY EXPENSE	ED	WA	DL			351,760.00	WA ERM Deferral
50	001	431600 - INTEREST EXPENSE ENERGY DEFERRALS	ED	WA	DL		20,172.00		WA ERM Interest Accrual
60	001	186280 - REGULATORY ASSET ERM DEFERRED	ED	WA	DL			20,172.00	WA ERM Interest Accrual
		CURRENT YEAR							
Totals:							412,734.00	412,734.00	


 Prepared by Gina Armstrong
 Date: 10/4/12

 Reviewed by
 Date: 10/5/12

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		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		
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		
201209	USD	331,588.00		6,391,961.00		

ERM Deferral Balance (Current Year - 2012)

Account 186280.ED.WA

	Amount	Journal ID
Balance 8/31/12	-\$6,723,549.00	
Deferral	351,760.00	481 - WA ERM
Interest	-20,172.00	481 - WA ERM
Balance 9/30/12	-\$6,391,961.00	
Year to date deferrals	-\$6,323,752.00	
Year to date interest	-68,209.00	
Balance in account	-\$6,391,961.00	

	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%	-2,026,391.00	-202,639.00		-1,823,752.00
Total	-\$12,026,391.00	-\$5,702,639.00	-\$6,323,752.00	

Detail Balances (AVISTA 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	
201206	USD	13,145,578.00		0.00	
201207	USD	0.00		0.00	
201208	USD	0.00		0.00	
201209	USD	0.00		0.00	

ERM Deferral Balance (Prior year - 2011)

Account 186290.ED.WA

Balance 8/31/12

No current month entries

Balance 9/30/12

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

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	
201209	USD	-40,802.00		-13,307,574.00	

Journal Details Summary Balances

Recoverable Deferral Balance

Account 182350.ED.WA

Balance 8/31/12

Interest

Balance 9/30/12

Amount

-\$13,266,772.00

-40,802.00

-\$13,307,574.00

Journal ID

481 - WA ERM

Detail Balances (AMISTA 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	
201209	USD	-104,517.10		6,892,096.13	

DFIT Associated with ERM Deferrals

Account 283280.ED.WA

Account 186280.ED.WA balance	-\$6,391,961.00	
Account 186290.ED.WA balance	0.00	
Account 182350.ED.WA balance	-13,307,574.00	
Total	-\$19,699,535.00	
Federal income tax rate	-35%	
Deferred FIT related to deferrals	\$6,894,837	
Rounding	1	
Balance that should be in account	\$6,894,838	
NSJ001 amount posted to account in error	-2,742.00	To be corrected in October
Balance shown in account	\$6,892,096	

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	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	(509,295)	Deferral	(178,253)	Operating	178,253
June	Interest	(9,766)	Interest	(3,418)	Nonoperating	3,418
06-30-2012	Balance before interest	(3,448,565)		(181,671)	Total	181,671
	GL Balance including interest	(3,467,724)				
			July	DFIT Expense		ADFIT
July	ERM Deferral	(783,102)	Deferral	(274,086)	Operating	274,086
July	Interest	(11,943)	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	(16,935)	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	351,760	Deferral	123,116	Operating	(123,116)
September	Interest	(20,172)	Interest	(7,060)	Nonoperating	7,060
09-30-2012	Balance before interest	(6,342,911)		116,056	Total	(116,056)
			October	DFIT Expense		ADFIT
October	ERM Deferral	0	Deferral	0	Operating	0
October	Interest	(19,628)	Interest	(6,870)	Nonoperating	6,870
10-31-2012	Balance before interest	(6,342,911)		(6,870)	Total	6,870
			November	DFIT Expense		ADFIT
November	ERM Deferral	0	Deferral	0	Operating	0
November	Interest	(19,628)	Interest	(6,870)	Nonoperating	6,870
11-30-2012	Balance before interest	(6,342,911)		(6,870)	Total	6,870
			December	DFIT Expense		ADFIT
December	ERM Deferral	0	Deferral	0	Operating	0
December	Interest	(19,628)	Interest	(6,870)	Nonoperating	6,870
12-31-2012	Balance before interest	(6,342,911)		(6,870)	Total	6,870
						ADFIT Balance
	GL Balance	(4,250,826)	(11,943)			0
	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 Before Tax	
		0.0030577 After Tax				0.0030945 After Tax	
		35.00% Tax rate				35.00% Tax rate	
Account 182350							
12-31-2011	GL Balance including interest	0				0	
				January		DFIT Expense	
January	Surcharge Amortization	0		Amortization	0		Operating
January	Interest	0		Interest	0		Nonoperating
01-31-2012	Balance before interest	0				0	
				February		DFIT Expense	
February	Surcharge Amortization	0		Amortization	0		Operating
February	Interest	0		Interest	0		Nonoperating
02-28-2012	Balance before interest	0				0	
				March		DFIT Expense	
March	Surcharge Amortization	0		Amortization	0		Operating
March	Interest	0		Interest	0		Nonoperating
03-31-2012	Balance before interest	0				0	
				April		DFIT Expense	
April	Surcharge Amortization	0		Amortization	0		Operating
April	Interest	0		Interest	0		Nonoperating
04-30-2012	Balance before interest	0				0	
				May		DFIT Expense	
May	Surcharge Amortization	0		Amortization	0		Operating
May	Interest	0		Interest	0		Nonoperating
05-31-2012	Balance before interest	0				0	
				June		DFIT Expense	
June	Transfer from 186290	(13,185,168)		Amortization	0		Operating
June	Surcharge Amortization	0		Interest	0		Nonoperating
June	Interest	0		Interest	0		Nonoperating
06-30-2012	Balance including interest	(13,185,168)				0	
				July		DFIT Expense	
	GL Balance including interest	(13,185,168)				0	
July	Surcharge Amortization	0		Amortization	0		Operating
July	Interest	(40,802)		Interest	(14,281)		Nonoperating
07-31-2012	Balance before interest	(13,185,168)				(14,281)	
				August		DFIT Expense	
August	Surcharge Amortization	0		Amortization	0		Operating
August	Interest	(40,802)		Interest	(14,281)		Nonoperating
08-31-2012	Balance before interest	(13,185,168)				(14,281)	
				September		DFIT Expense	
September	Surcharge Amortization	0		Amortization	0		Operating
September	Interest	(40,802)		Interest	(14,281)		Nonoperating
09-30-2012	Balance before interest	(13,185,168)				(14,281)	
				October		DFIT Expense	
October	Surcharge Amortization	0		Amortization	0		Operating
October	Interest	(40,802)		Interest	(14,281)		Nonoperating
10-31-2012	Balance before interest	(13,185,168)				(14,281)	
				November		DFIT Expense	
November	Surcharge Amortization	0		Amortization	0		Operating
November	Interest	(40,802)		Interest	(14,281)		Nonoperating
11-30-2012	Balance before interest	(13,185,168)				(14,281)	
				December		DFIT Expense	
December	Surcharge Amortization	0		Amortization	0		Operating
December	Interest	(40,802)		Interest	(14,281)		Nonoperating
12-31-2012	Balance before interest	(13,185,168)				(14,281)	
GL Balance		(13,185,168.00)		(40,802)		ADFIT Balance	
Update ERM balance to include Interest				(13,225,970.00)		4,629,090	
						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	\$18,306,988	\$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)	(\$12,639,812)	\$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	\$2,825,222	\$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	\$8,513,800	\$0	\$0	\$0
5	456 Transmission Revenue	(\$990,722)	(\$725,693)	(\$765,880)	(\$895,158)	(\$1,463,279)	(\$1,464,908)	(\$1,383,720)	(\$1,254,831)	(\$999,158)	\$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	\$1,516,270	\$0	\$0	\$0
7	557 Broker Fees	\$77,415	\$62,390	\$58,865	\$75,121	\$61,843	\$65,621	\$82,534	\$77,307	\$68,750	\$0	\$0	\$0
8	Less Clearwater 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)	(\$1,464,087)	\$0	\$0	\$0
9	Palouse Wind Deferral - System									\$3,424	\$0	\$0	\$0
10	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	\$16,731,397	\$0	\$0	\$0
AUTHORIZED NET EXPENSE-SYSTEM													
11	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
12	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)
13	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
14	547 CT Fuel	\$10,117,831	\$9,188,887	\$5,347,309	\$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
15	456 Transmission Revenue	(\$1,089,933)	(\$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)
16	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
17	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
18	Authorized Net Expense	\$21,609,110	\$20,014,670	\$17,556,818	\$11,871,598	\$6,983,960	\$7,757,937	\$13,743,740	\$20,779,848	\$16,566,642	\$17,821,242	\$20,252,736	\$22,811,341
19	Actual - Authorized Net Expense	(\$1,886,533)	(\$2,582,718)	(\$1,843,247)	(\$3,248,829)	(\$1,724,676)	(\$1,335,082)	(\$950,670)	(\$2,995,010)	\$164,755	\$0	\$0	\$0
20	Resource Optimization	\$891,615	\$1,114,023	\$912,435	\$646,874	(\$352,587)	\$794,487	\$253,506	(\$12,760)	\$32,049	\$0	\$0	\$0
21	Adjusted Net Expense	(\$994,918)	(\$1,468,695)	(\$930,812)	(\$2,601,955)	(\$2,077,263)	(\$2,129,569)	(\$697,164)	(\$3,008,770)	\$196,804	\$0	\$0	\$0
22	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%
23	Washington Share	(\$648,289)	(\$957,002)	(\$606,517)	(\$1,695,434)	(\$1,353,545)	(\$1,387,627)	(\$454,272)	(\$1,960,515)	\$128,237	\$0	\$0	\$0
24	WA Retail Revenue Adjustment (+) Surcharge (-) Rebate	(\$511,457)	(\$987,834)	(\$907,483)	\$796,283	(\$1,047,749)	\$708,567	(\$569,864)	(\$814,497)	\$262,607	\$0	\$0	\$0
25	Net Power Cost (+) Surcharge (-) Rebate	(\$1,159,746)	(\$1,944,836)	(\$1,514,000)	(\$899,151)	(\$2,401,294)	(\$679,060)	(\$1,044,136)	(\$2,775,012)	\$390,844	\$0	\$0	\$0
26	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)	(\$12,026,391)	(\$12,026,391)	(\$12,026,391)	(\$12,026,391)
	Deferral Amount, Cumulative (Customer)	\$0	\$0	(\$463,937)	(\$1,138,300)	(\$2,939,270)	(\$3,448,565)	(\$4,231,667)	(\$6,675,512)	(\$6,323,752)	(\$6,323,752)	(\$6,323,752)	(\$6,323,752)
	Deferral Amount, Monthly	\$0	\$0	(\$463,937)	(\$674,363)	(\$1,800,970)	(\$509,295)	(\$783,102)	(\$2,443,845)	\$351,760	\$0	\$0	\$0
	Acct 557280 Entry; (+) Rebate, (-) Surcharge	\$0	\$0	\$463,937	\$674,363	\$1,800,970	\$509,295	\$783,102	\$2,443,845	(\$351,760)	\$0	\$0	\$0
	Company Band Gross Margin Impact, Cumulative	(\$1,159,746)	(\$3,104,582)	(\$4,154,645)	(\$4,379,433)	(\$4,979,757)	(\$5,149,556)	(\$5,410,556)	(\$5,741,723)	(\$5,702,639)	(\$5,702,639)	(\$5,702,639)	(\$5,702,639)

AVISTA CORP. - Resource Accounting
 WASHINGTON DEFERRED POWER COST CALCULATION - ACTUAL SYSTEM POWER SUPPLY EXPENSES

Line No.	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	\$14,268,874	\$12,428,579	\$12,880,117	\$8,882,130	\$9,483,202	\$9,513,674	\$15,082,353	\$16,539,101	\$14,220,560	\$0	\$0	\$0
2	\$890,965	\$890,965	\$890,965	\$890,965	\$890,965	\$890,965	\$1,006,364	\$1,006,364	\$1,006,364	\$0	\$0	\$0
3	\$30,466	\$30,466	\$108,577	\$177,412	\$175,628	\$167,981	\$150,563	\$150,563	\$69,819	\$0	\$0	\$0
4	\$150,203	\$150,203	\$150,203	\$150,203	\$150,203	\$150,203	\$150,203	\$150,203	\$151,593	\$0	\$0	\$0
5	\$506,303	\$506,303	\$506,303	\$506,303	\$506,303	\$506,303	\$506,303	\$506,303	\$506,303	\$0	\$0	\$0
6	\$3,591,877	\$2,245,650	\$1,773,317	\$1,777,470	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	\$633	\$543	\$628	\$364	\$521	\$521	\$172	\$558	\$508	\$0	\$0	\$0
8	\$104,648	\$133,402	\$120,054	\$138,177	\$109,687	\$126,054	\$141,472	\$89,143	\$71,712	\$0	\$0	\$0
9	\$191,934	\$177,148	\$118,357	\$87,384	\$129,833	\$153,226	\$181,685	\$199,692	\$136,370	\$0	\$0	\$0
10	\$170,615	\$227,480	\$381,561	\$199,029	\$206,051	\$254,861	\$186,480	\$4,899	\$9,476	\$0	\$0	\$0
11	\$328,047	\$277,952	\$407,597	\$296,386	\$265,008	\$368,467	\$308,955	\$213,538	\$126,463	\$0	\$0	\$0
12	\$2,111,292	\$2,126,325	\$2,009,708	\$1,879,349	\$1,795,358	\$1,794,111	\$1,897,511	\$2,068,662	\$2,159,889	\$0	\$0	\$0
13	\$1,684,910	\$1,538,596	\$1,141,644	\$1,659,201	\$1,652,935	\$1,440,266	\$1,454,087	\$1,462,371	\$1,464,087	\$0	\$0	\$0
14	\$60,602	\$57,260	\$53,813	\$50,517	\$48,663	\$46,251	\$53,719	\$44,833	\$44,833	\$0	\$0	\$0
15	Non-Mon. Accruals	(\$27,951)	(\$75,081)	\$18,662	(\$15,733)	(\$7,189)	\$34,535	\$74,617	(\$139,538)	\$0	\$0	\$0
16	Total 555 Purchased Power	\$23,141,987	\$20,794,370	\$19,662,184	\$15,582,228	\$14,344,417	\$20,047,557	\$21,177,860	\$18,906,988	\$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	(\$9,802,147)	(\$8,428,516)	(\$7,436,245)	(\$6,747,707)	(\$6,168,836)	(\$6,198,042)	(\$8,447,391)	(\$8,413,147)	(\$9,561,242)	\$0	\$0	\$0
18	(\$145,085)	(\$146,215)	(\$145,955)	(\$145,955)	(\$145,955)	(\$146,020)	(\$146,085)	(\$146,020)	(\$145,246)	\$0	\$0	\$0
19	(\$80,416)	(\$78,912)	(\$64,227)	(\$31,572)	(\$21,830)	(\$17,547)	(\$60,685)	(\$118,146)	(\$110,107)	\$0	\$0	\$0
20	(\$6,638)	(\$6,571)	(\$6,571)	(\$6,339)	(\$6,462)	(\$6,531)	(\$6,604)	(\$6,540)	(\$6,408)	\$0	\$0	\$0
21	(\$39,497)	(\$35,986)	(\$38,632)	(\$35,175)	(\$25,248)	(\$24,167)	(\$35,147)	(\$33,533)	(\$29,650)	\$0	\$0	\$0
22	(\$1,864,700)	(\$1,460,370)	(\$1,194,090)	(\$919,169)	(\$1,172,399)	(\$1,138,065)	(\$1,620,981)	(\$2,177,006)	(\$1,660,716)	\$0	\$0	\$0
23	(\$2,001,372)	(\$2,262,572)	(\$1,110,021)	(\$1,283,042)	(\$1,287,858)	(\$1,269,502)	(\$1,233,560)	(\$1,172,104)	(\$1,126,443)	\$0	\$0	\$0
24	Total 447 Sales for Resale	(\$13,950,056)	(\$12,416,742)	(\$9,996,182)	(\$9,118,086)	(\$8,828,586)	(\$11,449,453)	(\$13,966,498)	(\$12,639,812)	\$0	\$0	\$0
501 FUEL-DOLLARS												
25	\$1,075,902	\$999,553	\$368,884	(\$19,413)	\$0	\$0	\$489,004	\$903,567	\$838,766	\$0	\$0	\$0
26	(\$558)	\$2	\$6,136	(\$599)	(\$178)	(\$133)	\$3,263	\$44	(\$203)	\$0	\$0	\$0
27	\$1,898,492	\$1,147,168	\$1,741,414	\$1,127,757	\$227,488	\$1,037,138	\$1,315,171	\$3,137,447	\$1,903,738	\$0	\$0	\$0
28	\$20,837	\$13,347	\$15,269	\$0	\$0	\$16,802	\$79,439	\$25,566	\$2,921	\$0	\$0	\$0
29	Total 501 Fuel Expense	\$2,994,673	\$2,060,120	\$2,131,703	\$1,107,755	\$227,310	\$1,865,807	\$4,066,624	\$2,825,222	\$0	\$0	\$0
501 FUEL-TONS												
30	50,240	43,210	19,413				25,701	48,048	43,361			
31	92,959	91,685	88,194	59,108	32,799	44,605	61,832	98,259	95,751			
501 FUEL-COST PER TON												
32	wood	\$21.42	\$20.82	\$19.00	\$19.08	\$6.94	\$19.03	\$18.81	\$19.34			
33	coal	\$20.42	\$12.51	\$13.75	\$19.08	\$6.94	\$21.27	\$31.93	\$20.72			
547 FUEL												
34	NE CT Gas/Oil-547213	\$2,305	(\$8)	\$3	\$603	\$176	\$756	\$643	\$1,117	\$0	\$0	\$0
35	Boulder Park-547216	\$42,073	\$6,367	\$14,961	\$11,164	\$11,047	(\$35)	\$23,310	\$11,704	\$0	\$0	\$0
36	Kettle Falls CT-547211	\$16,754	(\$316)	\$115	(\$337)	(\$102)	(\$87)	\$5,503	\$2,816	\$0	\$0	\$0
37	Coyote Springs2-547610	\$4,518,965	\$3,925,119	\$1,764,650	\$790,356	\$574,245	\$1,778,059	\$3,225,521	\$4,339,365	\$0	\$0	\$0
38	Lancaster-547312	\$4,045,593	\$3,734,764	\$2,704,843	\$1,305,673	\$569,122	\$1,817,405	\$3,472,779	\$4,158,399	\$0	\$0	\$0
39	Rathdrum, CT-547310	\$13,214	\$1,300	(\$385)	\$1,403	\$44,508	\$47,971	\$77,187	\$399	\$0	\$0	\$0
40	Total 547 Fuel Expense	\$8,638,904	\$7,867,225	\$4,484,187	\$2,102,862	\$1,198,996	\$1,195,228	\$6,804,943	\$8,513,800	\$0	\$0	\$0
41 TOTAL NET EXPENSE												
41		\$20,825,509	\$18,102,974	\$16,181,892	\$9,674,759	\$6,942,137	\$7,841,523	\$14,128,087	\$18,982,919	\$17,606,198	\$0	\$0
456 TRANSMISSION REVENUE												
42	456100 ED AN	(\$913,310)	(\$648,281)	(\$688,468)	(\$817,746)	(\$1,385,867)	(\$1,387,494)	(\$1,177,419)	(\$921,746)	\$0	\$0	\$0
43	456705 ED AN	(\$77,412)	(\$77,412)	(\$77,412)	(\$77,412)	(\$77,412)	(\$77,412)	(\$77,412)	(\$77,412)	\$0	\$0	\$0
44	Total 456 Transmission Revenue	(\$990,722)	(\$725,693)	(\$765,880)	(\$895,158)	(\$1,463,279)	(\$1,464,906)	(\$1,254,831)	(\$999,188)	\$0	\$0	\$0

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

Line No.	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
45	\$1,493,255	\$1,528,847	\$1,478,508	\$1,425,218	\$1,369,488	\$1,418,853	\$1,418,226	\$1,458,784	\$1,514,240	\$0	\$0	\$0
46	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
47	\$2,030	\$2,030	\$2,030	\$2,030	\$2,030	\$2,030	\$2,030	\$2,030	\$2,030	\$0	\$0	\$0
48	\$1,495,285	\$1,530,877	\$1,480,538	\$1,427,248	\$1,371,518	\$1,420,883	\$1,420,256	\$1,460,814	\$1,516,270	\$0	\$0	\$0
49	\$77,415	\$62,390	\$58,865	\$75,121	\$61,843	\$65,621	\$82,534	\$77,307	\$68,750	\$0	\$0	\$0
RESOURCE OPTIMIZATION												
50	(\$2,032,479)	(\$809,160)	(\$85,290)	\$2,327,485	\$1,130,624	\$370,588	\$2,947,144	\$1,451,328	\$906,712	\$0	\$0	\$0
51	\$5,918,543	\$8,778,373	\$8,811,364	\$6,300,876	\$4,225,073	\$6,397,861	\$7,382,492	\$4,395,767	\$1,622,665	\$0	\$0	\$0
52	\$223,650	\$2,426,636	\$516,338	\$609,000	\$7,153	\$161,161	\$0	\$0	\$0	\$0	\$0	\$0
53	(\$223,650)	(\$2,426,636)	(\$516,338)	(\$609,000)	(\$7,153)	(\$161,161)	\$0	\$0	\$0	\$0	\$0	\$0
54	\$2,715,887	\$7,242,610	\$883,454	\$5,396,524	\$3,514,063	\$1,390,720	\$3,797,546	\$2,570,784	\$3,355,987	\$0	\$0	\$0
55	\$1,083,256	\$236,776	(\$851,216)	(\$1,929,045)	(\$1,369,704)	(\$805,342)	(\$3,434,471)	(\$1,684,948)	(\$993,353)	\$0	\$0	\$0
56	(\$2,946,855)	(\$4,206,969)	(\$4,722,448)	(\$9,932,613)	(\$7,125,100)	(\$7,570,565)	(\$9,524,914)	(\$5,902,019)	(\$2,067,209)	\$0	\$0	\$0
57	(\$3,605,883)	(\$10,218,795)	(\$2,979,518)	(\$1,450,165)	(\$405,064)	(\$206,231)	(\$932,550)	(\$905,814)	(\$2,839,780)	\$0	\$0	\$0
58	\$0	\$0	\$382,850	\$691,580	\$7,708	\$12,113	\$381,481	\$0	\$0	\$0	\$0	\$0
59	\$0	\$0	(\$382,850)	(\$691,580)	(\$7,708)	(\$12,113)	(\$381,481)	\$0	\$0	\$0	\$0	\$0
60	\$1,132,469	\$1,022,835	\$1,056,346	\$713,062	(\$30,108)	(\$422,950)	\$235,247	(\$74,902)	(\$114,966)	\$0	\$0	\$0
61	\$0	(\$70,833)	(\$70,833)	(\$70,833)	(\$70,833)	(\$70,833)	(\$70,833)	(\$70,833)	(\$70,833)	(\$70,833)	(\$70,833)	(\$70,833)
62	(\$227,500)	(\$125,000)	(\$195,000)	(\$125,000)	(\$295,776)	(\$427,374)	(\$40,000)	\$0	\$0	\$0	\$0	\$0
63	(\$227,500)	\$102,500	(\$124,167)	(\$54,167)	(\$310,777)	(\$356,541)	\$30,833	\$70,833	\$70,833	\$70,833	\$70,833	\$70,833
64	\$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	\$29,760	\$27,840	\$26,904	\$28,800	\$29,582	\$28,800	\$29,760	\$29,760	\$110,000	\$0	\$0	\$0
66	\$0	\$0	(\$3,156)	\$40	(\$178)	\$0	\$0	\$0	\$81,200	\$0	\$0	\$0
67	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
68	(\$13,344)	(\$11,312)	(\$16,588)	(\$12,061)	(\$11,524)	(\$14,986)	(\$12,574)	(\$8,691)	(\$5,016)	\$0	\$0	\$0
69	(\$13,344)	(\$11,312)	(\$16,588)	(\$12,061)	(\$11,524)	(\$14,986)	(\$12,574)	(\$8,691)	(\$5,016)	\$0	\$0	\$0
70	\$891,615	\$1,114,023	\$912,435	\$646,874	(\$352,587)	(\$784,487)	\$253,506	(\$12,760)	\$32,049	\$0	\$0	\$0
71	\$22,299,102	\$20,084,571	\$17,867,850	\$10,928,844	\$6,559,632	\$7,066,634	\$14,500,663	\$19,253,449	\$18,224,109	\$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	446,574				4,180,310
Deduct Prior Month Unbilled	(405,057)	(391,199)	(376,206)	(370,627)	(322,465)	(309,734)	(290,186)	(330,261)	(363,864)				(3,159,600)
Add Current Month Unbilled	391,199	376,206	370,627	322,465	309,734	290,186	330,261	363,864	328,848				3,083,391
Total Retail Sales	520,898	503,009	484,852	410,994	417,089	396,442	469,615	499,644	411,558				4,104,101
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	(14,067)	11,711	16,170	(5,214)				61,374
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	(\$262,607)				\$3,091,427