

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



November 9, 2012

Mr. David Danner, Executive Director and Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

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RECORDS MANAGEMENT
2012 NOV 13 AM 8:37
STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION
COMMISSION

Re: Docket No. UE-011595, Monthly Power Cost Deferral Report, October 2012

Dear Mr. Danner:

Enclosed are an original and five copies of Avista Corporation's Power Cost Deferral Report for the month of October 2012. The report includes the monthly energy recovery mechanism (ERM) accounting journal together with backup workpapers. In October actual net power costs were higher than authorized costs by \$481,691. The year-to-date difference is \$11,544,700 in the rebate direction. A deferral entry of \$433,522 was made in the surcharge direction. The year-to-date deferral balance, excluding interest, is \$5,890,230 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 \$1,390,230.

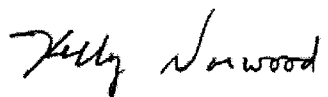
Actual net power costs were higher than the authorized level due primarily to lower hydro generation. Hydro generation was 29 aMW below the authorized level. The average power purchase price was \$32.51/MWh compared to an authorized price of \$42.65/MWh. The average natural gas price was \$3.27/dth compared to an authorized price of \$4.34/dth.

Colstrip and Kettle Falls generation was 8 aMW above and 9 aMW below the authorized levels, respectively. Gas-fired generation was 209 aMW below the authorized level. The net transmission expense (transmission expense less transmission revenue) was above the authorized level. Washington retail sales were 16 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 October 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 OCTOBER 2012

Avista Corporation Journal Entry

Effective Date: 201210

Journal: 481-WA ERM

Last Saved: 11/07/2012 9:45 AM

Team: Resource Accounting

Submitted by: Rick Lloyd

Type: C

Category: DJ

Currency: USD

Approved by:

Approval Requested: 11/07/2012 9:47 AM

Seq	Co	FERC	ED	Jur.	S.I.	Debit	Credit	Comment
				WA	DL			Prior Year Interest Accrual
10	001	431600 - INTEREST EXPENSE ENERGY DEFERRALS	ED	WA	DL	40,802.00		40,802.00
20	001	182350 - REGULATORY ASSET ERM APPROVED	ED	WA	DL			Prior Year Interest Accrual
30	001	FOR RECOVERY						
		186280 - REGULATORY ASSET ERM DEFERRED	ED	WA	DL	433,522.00		WA ERM Deferral
		CURRENT YEAR						
40	001	557280 - DEFERRED POWER SUPPLY EXPENSE	ED	WA	DL		433,522.00	WA ERM Deferral
50	001	431600 - INTEREST EXPENSE ENERGY DEFERRALS	ED	WA	DL	18,957.00		WA ERM Interest Accrual
60	001	186280 - REGULATORY ASSET ERM DEFERRED	ED	WA	DL		18,957.00	WA ERM Interest Accrual
		CURRENT YEAR						
Totals:						493,281.00	493,281.00	

Explanation:

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

Prepared by: *Rick Lloyd* Date: 11/7/12
 Reviewed by: *A.F. Wilson* Date: 11/7/12
 Approved for Entry: _____ Date: _____
 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	
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		
201210	USD	414,565.00		5,977,396.00		

ERM Deferral Balance (Current Year - 2012)

Account 186280.ED.WA

	Amount	Journal ID
Balance 9/30/12	-\$6,391,961.00	
Deferral	433,522.00	481 - WA ERM
Interest	-18,957.00	481 - WA ERM
Balance 10/31/12	-\$5,977,396.00	
Year to date deferrals	-\$5,890,230.00	
Year to date interest	-87,166.00	
Balance in account	-\$5,977,396.00	

	Total	Absorbed	Deferred	\$0.00
First \$4,000,000 at 100%	-\$4,000,000.00	-\$4,000,000.00		
\$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%	-1,544,700.00	-154,470.00	-1,390,230.00	
Total	-\$11,544,700.00	-\$5,654,470.00	-\$5,890,230.00	

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

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

Period	Currency	PTD	PTD Converted	YTD	YTD Converted
201112	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	
201210	USD	0.00		0.00	

Journal Details Summary Balances

ERM Deferral Balance (Prior year - 2011)

Account 186290.ED.WA

Balance 9/30/12

No current month entries

Balance 10/31/12

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

Detail Balances (AVISTA CORP) - 001.182350.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	
201210	USD	-40,802.00		-13,348,376.00	

Journal Details Summary Balances

Recoverable Deferral Balance
Account 182350.ED.WA
 Balance 9/30/12
 Interest
 Balance 10/31/12

Amount
 -\$13,307,574.00
 -40,802.00
-\$13,348,376.00

Journal ID
 481 - WA ERM

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	
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	
201210	USD	-128,075.05		6,764,021.08	

DFIT Associated with ERM Deferrals

Account 283280.ED.WA

Account 186280.ED.WA balance	-\$5,977,396.00
Account 186290.ED.WA balance	0.00
Account 182350.ED.WA balance	-13,348,376.00
Total	-\$19,325,772.00
Federal income tax rate	-35%
Deferred FIT related to deferrals	\$6,764,020
Rounding	1
Balance that should be in account	\$6,764,021

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					
			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		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
			July	DFIT Expense	ADFIT
July	GL Balance including interest	(3,467,724)	Deferral	(274,086)	Operating 274,086
July	ERM Deferral	(783,102)	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	351,760	Deferral	123,116	Operating (123,116)
September	Interest		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	433,522	Deferral	151,733	Operating (151,733)
October	Interest		Interest	(6,635)	Nonoperating 6,635
10-31-2012	Balance before interest	(5,909,389)		145,098	Total (145,098)
			November	DFIT Expense	ADFIT
November	ERM Deferral	0	Deferral	0	Operating 0
November	Interest		Interest	(6,400)	Nonoperating 6,400
11-30-2012	Balance before interest	(5,909,389)		(6,400)	Total 6,400
			December	DFIT Expense	ADFIT
December	ERM Deferral	0	Deferral	0	Operating 0
December	Interest		Interest	(6,400)	Nonoperating 6,400
12-31-2012	Balance before interest	(5,909,389)		(6,400)	Total 6,400
			GL Balance	(5,909,389)	(68,007)
			ADFIT Balance		0
			Update ERM balance to include Interest	(5,977,396)	2,092,089
			Check		(2,092,089)

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		ADFIT	
January Surcharge Amortization		0		Amortization		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 Surcharge Amortization		0		Amortization		0 Operating		0	
February Interest		0		Interest		0 Nonoperating		0	
02-28-2012 Balance before interest		0				0 Total		0	
				March		DFIT Expense		ADFIT	
March Surcharge Amortization		0		Amortization		0 Operating		0	
March Interest		0		Interest		0 Nonoperating		0	
03-31-2012 Balance before interest		0				0 Total		0	
				April		DFIT Expense		ADFIT	
April Surcharge Amortization		0		Amortization		0 Operating		0	
April Interest		0		Interest		0 Nonoperating		0	
04-30-2012 Balance before interest		0				0 Total		0	
				May		DFIT Expense		ADFIT	
May Surcharge Amortization		0		Amortization		0 Operating		0	
May Interest		0		Interest		0 Nonoperating		0	
05-31-2012 Balance before interest		0				0 Total		0	
				June		DFIT Expense		ADFIT	
June Surcharge Amortization		0		Amortization		0 Operating		0	
June Interest		0		Interest		0 Nonoperating		0	
06-30-2012 Balance including interest		(13,185,168)				0 Total		0	
				July		DFIT Expense		ADFIT	
July GL Balance including interest		(13,185,168)		Amortization		0 Operating		0	
July Surcharge Amortization		0		Interest		(14,281) Nonoperating		14,281	
July Interest		(40,802)				(14,281) Total		14,281	
07-31-2012 Balance before interest		(13,185,168)							
				August		DFIT Expense		ADFIT	
August Surcharge Amortization		0		Amortization		0 Operating		0	
August Interest		(40,802)		Interest		(14,281) Nonoperating		14,281	
08-31-2012 Balance before interest		(13,185,168)				(14,281) Total		14,281	
				September		DFIT Expense		ADFIT	
September Surcharge Amortization		0		Amortization		0 Operating		0	
September Interest		(40,802)		Interest		(14,281) Nonoperating		14,281	
09-30-2012 Balance before interest		(13,185,168)				(14,281) Total		14,281	
				October		DFIT Expense		ADFIT	
October Surcharge Amortization		0		Amortization		0 Operating		0	
October Interest		(40,802)		Interest		(14,281) Nonoperating		14,281	
10-31-2012 Balance before interest		(13,185,168)				(14,281) Total		14,281	
				November		DFIT Expense		ADFIT	
November Surcharge Amortization		0		Amortization		0 Operating		0	
November Interest		(40,802)		Interest		(14,281) Nonoperating		14,281	
11-30-2012 Balance before interest		(13,185,168)				(14,281) Total		14,281	
				December		DFIT Expense		ADFIT	
December Surcharge Amortization		0		Amortization		0 Operating		0	
December Interest		(40,802)		Interest		(14,281) Nonoperating		14,281	
12-31-2012 Balance before interest		(13,185,168)				(14,281) Total		14,281	
GL Balance		(13,185,168.00)		(163,208)		ADFIT Balance		0	
Update ERM balance to include Interest		(13,348,376.00)						4,671,932	
						Check		(4,671,932)	

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	\$15,682,228	\$14,344,417	\$14,388,492	\$20,047,557	\$21,177,850	\$18,906,988	\$21,436,597	\$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)	(\$15,581,737)	\$0	\$0
3	501 Thermal Fuel	\$2,994,673	\$2,060,120	\$2,131,703	\$1,107,755	\$2,271,310	\$1,053,807	\$1,886,877	\$4,086,624	\$2,825,222	\$3,005,125	\$0	\$0
4	547 CT Fuel	\$8,638,904	\$7,667,226	\$4,484,187	\$2,102,862	\$1,199,996	\$1,199,228	\$3,643,106	\$6,804,943	\$8,513,800	\$9,607,532	\$0	\$0
5	456 Transmission Revenue	(\$990,722)	(\$725,693)	(\$765,880)	(\$895,158)	(\$1,463,279)	(\$1,464,906)	(\$1,383,720)	(\$1,254,831)	(\$999,158)	(\$1,049,828)	\$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	\$1,488,098	\$0	\$0
7	557 Broker Fees	\$77,415	\$62,390	\$58,865	\$75,121	\$61,843	\$65,621	\$82,534	\$77,307	\$68,750	\$79,496	\$0	\$0
8	Less Cleantwater 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)	(\$1,520,956)	\$0	\$0
9	Palouse Wind Deferral - System	\$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	\$17,520,855	\$0	\$0
10	Adjusted Actual Net Expense												
11	AUTHORIZED NET EXPENSE-SYSTEM												
11	555 Purchased Power	\$12,917,361	\$11,733,560	\$11,415,939	\$9,228,929	\$8,768,390	\$7,014,446	\$8,036,703	\$9,562,739	\$7,187,254	\$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	\$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
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	\$21,809,110	\$20,014,670	\$17,656,818	\$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)	(\$2,996,010)	\$164,755	(\$300,387)		
20	Resource Optimization	\$891,615	\$1,114,023	\$912,435	\$646,874	(\$352,587)	(\$794,487)	\$253,506	(\$12,760)	\$32,049	\$91,263	\$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	(\$209,124)	\$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	(\$136,265)	\$0	\$0
24	WA Retail Revenue Adjustment (+) Surcharge (-) Rebate	(\$511,457)	(\$987,834)	(\$907,483)	\$796,283	(\$1,047,749)	\$708,567	(\$589,864)	(\$814,497)	\$262,607	\$617,956	\$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	\$481,691		
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)	(\$11,544,700)		
	Deferral Amount, Cumulative (Customer)	\$0	\$0	(\$483,937)	(\$1,138,300)	(\$2,939,270)	(\$3,448,565)	(\$4,231,667)	(\$6,675,512)	(\$6,323,752)	(\$5,890,230)		
	Deferral Amount, Monthly	\$0	\$0	(\$463,937)	(\$674,363)	(\$1,800,970)	(\$509,295)	(\$783,102)	(\$2,443,845)	\$351,760	\$433,522		
	Acct 557280 Entry: (+) Rebate, (-) Surcharge	\$0	\$0	\$463,937	\$674,363	\$1,800,970	\$509,295	\$783,102	\$2,443,845	(\$351,760)	(\$433,522)		
	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)	(\$5,741,723)	(\$5,702,639)	(\$5,654,470)		

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
565 PURCHASED POWER												
1	\$13,347,443	\$11,507,098	\$11,860,575	\$7,813,753	\$6,416,611	\$8,435,214	\$13,918,008	\$15,372,174	\$13,144,349	\$15,503,657	\$0	\$0
2	\$890,965	\$890,965	\$890,965	\$890,965	\$890,965	\$890,965	\$1,006,364	\$1,006,364	\$1,006,364	\$1,006,364	\$0	\$0
3	\$30,466	\$30,516	\$108,577	\$177,412	\$175,626	\$187,495	\$167,981	\$160,563	\$69,819	\$35,199	\$0	\$0
4	\$150,203	\$150,203	\$150,203	\$150,203	\$150,203	\$150,203	\$150,203	\$150,203	\$151,593	\$151,593	\$0	\$0
5	\$506,303	\$506,303	\$506,303	\$506,303	\$506,303	\$506,303	\$506,303	\$506,303	\$506,303	\$506,303	\$0	\$0
6	\$3,591,877	\$3,245,650	\$1,773,317	\$1,717,470	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	\$633	\$543	\$628	\$376	\$384	\$521	\$172	\$558	\$508	\$462	\$0	\$0
8	\$104,648	\$133,402	\$120,054	\$138,177	\$109,667	\$126,054	\$141,472	\$169,692	\$171,712	\$72,403	\$0	\$0
9	\$191,934	\$177,148	\$116,357	\$67,384	\$129,833	\$153,226	\$186,370	\$199,692	\$9,476	\$59,589	\$0	\$0
10	\$170,615	\$227,490	\$381,561	\$199,029	\$206,051	\$254,881	\$186,480	\$4,899	\$8,476	\$262,754	\$0	\$0
11	\$328,047	\$277,952	\$407,597	\$296,356	\$265,009	\$368,467	\$308,955	\$213,538	\$126,463	\$2,157,265	\$0	\$0
12	\$2,111,292	\$2,126,325	\$2,003,708	\$1,879,349	\$1,799,356	\$1,794,111	\$1,897,511	\$2,068,662	\$2,159,889	\$2,157,265	\$0	\$0
13	\$1,684,910	\$1,538,596	\$1,141,844	\$1,689,201	\$1,652,935	\$1,440,266	\$1,454,087	\$1,482,371	\$1,464,087	\$1,520,956	\$0	\$0
14	\$60,602	\$57,260	\$53,813	\$50,517	\$48,663	\$46,251	\$53,719	\$52,918	\$44,833	\$49,031	\$0	\$0
15	Non-Mon. Accruals	(\$27,951)	\$19,682	(\$7,189)	(\$15,733)	\$34,535	\$74,617	(\$139,538)	\$15,194	(\$57,286)	\$0	\$0
16	Total 565 Purchased Power	\$23,141,987	\$20,794,370	\$19,562,184	\$15,582,228	\$14,344,417	\$14,388,492	\$21,177,660	\$18,906,988	\$21,436,597	\$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)	(\$9,428,516)	(\$7,436,245)	(\$6,747,707)	(\$6,168,836)	(\$6,198,042)	(\$8,447,391)	(\$9,413,147)	(\$9,561,242)	(\$11,994,403)	\$0	\$0
18	(\$145,085)	(\$146,215)	(\$145,955)	(\$145,085)	(\$145,955)	(\$146,150)	(\$146,085)	(\$146,020)	(\$145,246)	(\$145,955)	\$0	\$0
19	(\$90,416)	(\$78,912)	(\$64,227)	(\$31,572)	(\$21,830)	(\$17,547)	(\$60,685)	(\$118,146)	(\$110,107)	(\$144,929)	\$0	\$0
20	(\$6,638)	(\$6,571)	(\$6,812)	(\$6,339)	(\$6,462)	(\$6,531)	(\$6,604)	(\$6,542)	(\$6,408)	(\$6,534)	\$0	\$0
21	(\$39,497)	(\$35,588)	(\$38,832)	(\$35,175)	(\$25,246)	(\$24,167)	(\$35,147)	(\$33,533)	(\$29,650)	(\$40,438)	\$0	\$0
22	(\$1,864,700)	(\$1,460,370)	(\$1,194,090)	(\$919,166)	(\$1,172,399)	(\$1,136,065)	(\$1,620,981)	(\$2,177,006)	(\$1,660,716)	(\$1,665,343)	\$0	\$0
23	(\$2,001,372)	(\$2,262,572)	(\$1,110,021)	(\$1,233,042)	(\$1,287,856)	(\$1,268,502)	(\$1,132,560)	(\$1,172,104)	(\$1,126,443)	(\$1,364,135)	\$0	\$0
24	Total 447 Sales for Resale	(\$13,950,056)	(\$12,416,742)	(\$9,986,182)	(\$9,116,086)	(\$8,828,686)	(\$11,449,453)	(\$13,066,498)	(\$12,639,812)	(\$16,581,737)	\$0	\$0
501 FUEL-DOLLARS												
25	\$1,075,902	\$899,553	\$368,884	(\$19,413)	\$0	\$0	\$489,004	\$903,567	\$638,766	\$882,622	\$0	\$0
26	(\$558)	\$52	\$6,136	(\$569)	(\$176)	(\$133)	\$3,263	\$44	(\$203)	\$39	\$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	\$1,983,738	\$2,112,961	\$0	\$0
28	\$20,837	\$13,347	\$15,269	\$0	\$0	\$16,802	\$79,439	\$25,566	\$2,921	\$9,483	\$0	\$0
29	Total 501 Fuel Expense	\$2,994,673	\$2,060,120	\$2,131,703	\$1,107,756	\$227,310	\$1,866,877	\$4,066,624	\$2,826,222	\$3,006,125	\$0	\$0
501 FUEL-TONS												
30	50,240	43,210	19,413	19,413	59,108	44,605	25,701	48,049	43,361	48,569	\$0	\$0
31	92,959	91,685	88,194	88,194	32,799	61,832	98,259	95,751	96,779	96,779	\$0	\$0
501 FUEL-COST PER TON												
32	\$21.42	\$20.82	\$19.00	\$19.08	\$6.94	\$23.25	\$19.03	\$18.81	\$20.72	\$18.17	\$0	\$0
33	\$20.42	\$12.51	\$19.75	\$19.08	\$6.94	\$23.25	\$21.27	\$31.93	\$20.72	\$21.83	\$0	\$0
547 FUEL												
34	\$2,305	(\$8)	\$3	\$603	\$176	\$498	\$756	\$643	\$1,117	(\$3,206)	\$0	\$0
35	\$42,073	\$6,367	\$14,961	\$1,164	\$11,047	\$9,812	(\$35)	\$23,310	\$11,704	\$22,735	\$0	\$0
36	\$16,754	\$115	(\$337)	(\$337)	(\$102)	(\$67)	(\$750)	\$5,503	\$2,816	\$6,595	\$0	\$0
37	\$4,518,965	\$3,925,119	\$1,764,650	\$790,356	\$574,245	\$651,010	\$1,778,059	\$3,225,521	\$4,339,365	\$4,931,553	\$0	\$0
38	\$4,045,593	\$3,734,764	\$2,704,843	\$1,308,673	\$569,122	\$528,289	\$1,617,405	\$3,472,779	\$4,158,399	\$4,643,772	\$0	\$0
39	\$13,214	\$1,300	(\$385)	\$1,403	\$44,508	\$9,466	\$47,671	\$77,187	\$399	\$4,083	\$0	\$0
40	Total 547 Fuel Expense	\$8,638,904	\$7,667,226	\$4,484,187	\$2,102,862	\$1,198,986	\$3,643,106	\$6,804,843	\$8,513,800	\$9,607,532	\$0	\$0
41 TOTAL NET EXPENSE												
	\$20,825,509	\$18,102,974	\$16,181,892	\$9,674,769	\$6,942,137	\$7,841,523	\$14,128,087	\$18,982,919	\$17,606,198	\$18,467,617	\$0	\$0
456 TRANSMISSION REVENUE												
42	(\$913,310)	(\$648,281)	(\$688,468)	(\$817,746)	(\$1,385,967)	(\$1,387,494)	(\$1,306,308)	(\$1,177,419)	(\$921,746)	(\$872,416)	\$0	\$0
43	(\$970,412)	(\$77,412)	(\$77,412)	(\$77,412)	(\$77,412)	(\$77,412)	(\$77,412)	(\$77,412)	(\$77,412)	(\$77,412)	\$0	\$0
44	(\$980,722)	(\$725,693)	(\$766,680)	(\$895,158)	(\$1,463,279)	(\$1,464,908)	(\$1,383,720)	(\$1,254,831)	(\$999,168)	(\$1,049,828)	\$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
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	\$1,514,240	\$1,486,068	\$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	\$2,030	\$2,030	\$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	\$1,516,270	\$1,488,098	\$0	\$0
49 Total 565710 ED AN Broker Fees	\$77,415	\$52,390	\$66,865	\$75,121	\$61,843	\$66,821	\$82,534	\$77,307	\$68,750	\$79,496	\$0	\$0
RESOURCE OPTIMIZATION												
50 Econ Dispatch-557010	(\$2,032,479)	(\$609,160)	(\$65,290)	\$2,327,485	\$1,130,624	\$370,598	\$2,947,144	\$1,451,328	\$906,712	\$788,536	\$0	\$0
51 Econ Dispatch-557150	\$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	\$1,496,346	\$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	\$2,715,887	\$7,242,610	\$883,454	\$5,396,524	\$3,514,063	\$1,390,720	\$3,797,546	\$2,570,784	\$3,355,997	\$4,239,898	\$0	\$0
54 Intraco Thermal Gas-557730	\$1,083,256	\$236,776	(\$851,216)	\$1,929,045	(\$1,369,704)	(\$805,342)	(\$3,434,471)	(\$1,684,948)	(\$993,353)	(\$434,879)	\$0	\$0
55 Fuel DispatchFin-456010	(\$2,946,855)	(\$4,206,969)	(\$4,722,448)	(\$9,932,613)	(\$7,125,100)	(\$7,570,566)	(\$9,524,914)	(\$5,902,019)	(\$2,067,209)	(\$7,568,323)	\$0	\$0
56 Fuel Dispatch-456015	(\$3,603,893)	(\$10,218,795)	(\$2,979,518)	(\$1,450,165)	(\$405,064)	(\$206,231)	(\$932,550)	(\$905,814)	(\$2,939,780)	(\$3,536,282)	\$0	\$0
57 Intraco Thermal Gas-456730	\$0	\$0	\$0	\$991,560	\$7,708	\$12,113	\$381,481	\$0	\$0	\$0	\$0	\$0
58 Fuel Bookouts-456711	\$0	\$0	(\$382,850)	(\$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	\$713,082	(\$30,108)	(\$422,960)	\$236,247	(\$74,902)	(\$114,968)	(\$35,704)	\$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 468016 ED AN	(\$227,800)	(\$126,000)	(\$195,000)	(\$125,000)	(\$295,776)	(\$427,374)	(\$40,000)	\$0	\$0	\$0	\$0	\$0
63 REC Revenue Subtotal	(\$227,800)	\$102,500	(\$124,167)	(\$54,167)	(\$310,777)	(\$356,541)	\$30,833	\$70,833	\$70,833	\$70,833	\$70,833	\$70,833
64 Misc. Power 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 Misc. Power Exp. Actual-557160 ED AN	\$29,760	\$27,840	\$26,604	\$28,800	\$29,582	\$28,800	\$29,760	\$29,760	\$110,000	\$96,160	\$0	\$0
66 REC Purchases Subtotal	\$0	\$0	(\$3,156)	\$40	(\$176)	\$0	\$0	\$0	\$81,200	\$66,360	\$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)	(\$16,688)	(\$12,061)	(\$11,524)	(\$14,986)	(\$12,574)	(\$6,691)	(\$5,016)	(\$10,226)	\$0	\$0
69 Wind REC Subtotal	(\$13,344)	(\$11,312)	(\$16,688)	(\$12,061)	(\$11,524)	(\$14,986)	(\$12,574)	(\$6,691)	(\$5,016)	(\$10,226)	\$0	\$0
70 Net Resource Optimization	\$891,615	\$1,114,023	\$912,435	\$646,974	(\$352,687)	(\$794,487)	\$253,506	(\$12,760)	\$32,049	\$91,263	\$0	\$0
71 Adjusted Actual Net Expense	\$22,289,102	\$20,084,571	\$17,857,850	\$10,928,844	\$6,659,632	\$7,068,634	\$14,500,663	\$19,253,448	\$18,224,109	\$19,076,646	\$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	465,041	446,574	409,531	-	-	4,589,841
Deduct Prior Month Unbilled	(405,057)	(391,199)	(376,206)	(370,627)	(322,465)	(309,734)	(290,186)	(330,261)	(363,864)	(328,848)	-	-	(3,488,448)
Add Current Month Unbilled	391,199	376,206	370,627	322,465	309,734	290,186	330,261	363,864	328,848	361,787	-	-	3,445,177
Total Retail Sales	520,898	503,009	484,852	410,994	417,089	396,442	459,615	499,644	411,558	442,470	-	-	4,546,571
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)	(12,268)	-	-	49,106
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	(\$709,567)	\$599,864	\$814,497	(\$262,607)	(\$617,956)	\$50.37	\$50.37	\$2,473,471