

Avista Corp.
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May 15, 2013

Steven V. King
Acting Executive Director and Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

2013 MAY 17 AM 8:47
COMMUNICATIONS SECTION
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Re: Docket No. UE-011595, Monthly Power Cost Deferral Report,
April 2013

Dear Mr. King:

Enclosed are an original and five copies of Avista Corporation's Power Cost Deferral Report for the month of April 2013.

The report includes the monthly energy recovery mechanism (ERM) accounting journal together with backup workpapers (Attachment A). In April, actual net power costs were lower than authorized costs by \$1,000,178. The year-to-date difference is \$4,056,122 in the rebate direction. A deferral entry of \$42,092 was made in the rebate direction.

In Order 09, Docket UE-120436, the Company was authorized to return a portion of the accumulated ERM deferral balance to customers effective January 1, 2013. Total rebate revenue amounted to \$356,365 for the month of April 2013. After adjusting for revenue-sensitive expenses, \$340,364 of amortization of the deferral balance was recorded.

Actual net power costs for April 2013 were lower than the authorized level due primarily to better than authorized hydro generation. Hydro generation was 81 aMW above the authorized level. The average power purchase price was \$23.49/MWh compared to an authorized price of \$16.66/MWh. The average natural gas price was \$3.73/dth compared to an authorized price of \$3.16/dth.

Colstrip and Kettle Falls generation was 59 aMW above and 4 aMW below the authorized levels, respectively. Natural gas-fired generation was 55 aMW below the authorized level. The net transmission expense (transmission expense less transmission revenue) was above the authorized level. Washington retail sales were 17 aMW above the authorized level.

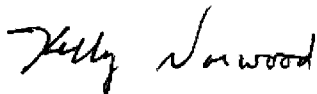
The report also includes the monthly renewable energy credits (REC) accounting journal together with backup workpapers (Attachment B). In April 2013, actual net REC revenues were greater than authorized revenues by \$259,452. The Company records 100% of the net REC revenues in a separate deferral account per Order 09, Docket UE-120436.

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 21 of this report for January 2013 shows the calculation of the weighted cost of debt at December 31, 2012, which will be used for the January through June 2013 period.

Enclosed is one forward long-term power contracts that was executed in April 2013 (Attachment C).

If you have any questions, please contact Bill Johnson at (509) 495-4046 or Jeanne Pluth at (509) 495-2204.

Sincerely,



Kelly Norwood
Vice President State and Federal Regulation

JP

Enclosure

C: Mary Kimball, S. Bradley Van Cleve

AVISTA CORPORATION
STATE OF WASHINGTON
DOCKET NO. UE-011595
POWER COST DEFERRAL REPORT

MONTH OF APRIL 2013

Detail Balance for (A)ISTA COPPI - 001 186280 ED WA DL

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

Period	Currency	PTD	PTD Converted	YTD	YTD Converted
201205	USD	-519,061.00		-3,467,724.00	
201207	USD	-795,046.00		-4,262,769.00	
201208	USD	-2,480,780.00		-6,723,549.00	
201209	USD	331,588.00		-6,391,961.00	
201210	USD	414,565.00		-5,977,396.00	
201211	USD	-1,332,731.00		-7,310,127.00	
201212	USD	-1,446,511.00		-8,756,638.00	
201213	USD	0.00		-8,756,638.00	
201301	USD	8,756,638.00		0.00	
201302	USD	0.00		0.00	
201303	USD	0.00		0.00	
201304	USD	-42,157.00		-42,157.00	

ERM Deferral Balance (Current Year - 2013)

Account 186280.ED.WA

	Amount	Journal ID
Balance 03/31/13	\$0.00	
Deferral	-42,092.00	481 - WA ERM
Interest	-65.00	
Balance 04/30/13	-\$42,157.00	
Year to date deferrals	\$42,092.00	
Year to date interest	65.00	
Balance in account	\$42,157.00	

	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%	-56,122.00	-14,030.00	-42,092.00
Over \$10,000,000 at 10%	0.00	0.00	0.00
Total	-\$4,056,122.00	-\$4,014,030.00	-\$42,092.00

Detail Balances (AMSTA C OFF) - 001 186290 ED.WA DL

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

Period	Currency	PTD	PTD Converted	YTD	YTD Converted
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	
201211	USD	0.00		0.00	
201212	USD	0.00		0.00	
201213	USD	0.00		0.00	
201301	USD	-8,783,727.00		-8,783,727.00	
201302	USD	-136,735.00		-8,920,462.00	
201303	USD	-108,326.14		-9,028,788.14	
201304	USD	-27,677.00		-9,056,465.14	

ERM Deferral Balance (Prior year - 2012)

Account 186290.ED.WA

	<u>Amount</u>	<u>Journal ID</u>
Balance 03/31/13	-\$9,028,788.14	
Interest	-27,677.00	481 - WA ERM
Other	0.00	481 - WA ERM
Balance 04/30/13	-\$9,056,465.14	

Detail Balances (AMSTA/COPP) - 001 182350 ED.WA.DL

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

Period	Currency	PTD	PTD Converted	YTD	YTD Converted
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	
201211	USD	-40,802.00		-13,389,178.00	
201212	USD	-40,802.00		-13,429,980.00	
201213	USD	0.00		-13,429,980.00	
201301	USD	68,875.00		-13,361,105.00	
201302	USD	369,570.00		-12,991,535.00	
201303	USD	314,872.00		-12,676,663.00	
201304	USD	302,076.00		-12,374,587.00	

Recoverable Deferral Balance

Account 182350.ED.WA

	Amount	Journal ID
Balance 03/31/13	-\$12,676,663.00	
Surcharge Amortization	340,364.00	481 - WA ERM
Interest	-38,288.00	481 - WA ERM
Balance 04/30/13	<u>-\$12,374,587.00</u>	

Detail Balances (AVISTA CORP) - 001 283280 ED.WA DL

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

Period	Currency	PTD	PTD Converted	YTD	YTD Converted
201206	USD	195,527.85		5,828,513.08	
201207	USD	292,546.45		6,121,059.53	
201208	USD	875,563.70		6,996,613.23	
201209	USD	-104,517.10		6,892,096.13	
201210	USD	-128,075.05		6,764,021.08	
201211	USD	480,736.55		7,244,757.63	
201212	USD	520,569.55		7,765,317.18	
201213	USD	0.00		7,765,317.18	
201301	USD	-14,625.10		7,750,692.08	
201302	USD	-81,492.25		7,669,199.83	
201303	USD	-72,291.05		7,596,908.78	
201304	USD	-81,284.70		7,515,624.08	

DFIT Associated with ERM Deferrals

Account 283280.ED.WA

Account 186280.ED.WA balance	-\$42,157.00
Account 186290.ED.WA balance	-9,056,465.14
Account 182350.ED.WA balance	-12,374,587.00
Total	-\$21,473,209.14
Federal income tax rate	-35%
Deferred FIT related to deferrals	\$7,515,623
Rounding	1
Balance that should be in account - Feb 28, 2013	\$7,515,624

Detail Balance (W15TA CORP) - 001 186322 ED WA DL

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

Period	Currency	PTD	PTD Converted	YTD	YTD Converted
201211	USD	-277,010.00		-277,010.00	
201213	USD	0.00		-277,010.00	
201301	USD	28,287.00		-248,723.00	
201302	USD	-115,804.81		-364,527.81	
201303	USD	-62,201.00		-426,728.81	
201304	USD	-261,163.00		-687,891.81	

REC Deferral Balance

Account 186322.ED.WA

Balance 03/31/13

Deferral

Interest

Balance 04/30/13

Amount

Journal ID

-\$426,728.81

-259,452.00 475 - WA REC DEFERRAL

-1,711.00 475 - WA REC DEFERRAL

-\$687,891.81

Detail Balance (AVISTA CORP) - 001 283305 ED.WA DL

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

Period	Currency	PTD	PTD Converted	YTD	YTD Converted
201212	USD	96,953.50		96,953.50	
201213	USD	0.00		96,953.50	
201301	USD	-9,900.45		87,053.05	
201302	USD	40,531.68		127,584.73	
201303	USD	21,770.36		149,355.08	
201304	USD	91,407.05		240,762.13	

DFIT Associated with REC Deferrals

Account 283305.ED.WA

Account 186322.ED.WA balance	-\$687,891.81
Total	-687,891.81
Federal income tax rate	-35%
Deferred FIT related to deferrals	\$240,762
Rounding	0
Balance that should be in account - 3/31/2013	\$240,762

Attachment A

**Avista Corporation
Monthly Power Cost Deferral Report
Month of April 2013**

ERM Deferral Journal

Avista Corporation Journal Entry


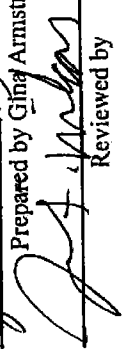
Effective Date: 201304

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: 05/06/2013 2:37 PM
 Approval Requested: 05/06/2013 2:37 PM

Seq	Co.	FERC	Debit	Credit	Comment
10	001	431600 - INTEREST EXPENSE DEFERRALS	27,677.00		Last year (2012) ERM Balance Interest Accrual
20	001	186290 - REGULATORY ASSET ERM DEFERRED LAST YEAR		27,677.00	Last year (2012) ERM Interest Accrual
30	001	182350 - REGULATORY ASSET ERM APPROVED FOR RECOVERY	340,364.00		Approved for Recovery ERM Balance Amortization
40	001	557290 - WA ERM AMORTIZATION		340,364.00	Approved for Recovery ERM Balance Amortization
50	001	431600 - INTEREST EXPENSE DEFERRALS	38,288.00		Approved for Recovery ERM Balance Interest Accr.
60	001	182350 - REGULATORY ASSET ERM APPROVED FOR RECOVERY		38,288.00	Approved for Recovery ERM Balance Interest Accr.
70	001	186280 - REGULATORY ASSET ERM DEFERRED CURRENT YEAR	42,092.00		Current Year (2013) ERM
80	001	557280 - DEFERRED POWER SUPPLY EXPENSE	42,092.00		Current Year (2013) Deferral Expense
90	001	431600 - INTEREST EXPENSE DEFERRALS	65.00		Current Year (2013) Interest Accrual
100	001	186280 - REGULATORY ASSET ERM DEFERRED CURRENT YEAR		65.00	Current Year (2013) Interest accrual current year
Totals:			448,486.00	448,486.00	


 Prepared by Gina Armstrong

 Reviewed by
 Date 5-6-13
 Date 5-6-13

Explanation:

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

Approved for Entry
 Corporate Accounting use Only

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 12/31/12 is	5.711%	Actual cost of debt at 06/30/13 is	5.713%
The monthly rate is:	0.00476 Before Tax	The monthly rate is:	0.00476 Before Tax
	0.0030935 After Tax		0.0030945 After Tax
	35.00% Tax rate		35.00% Tax rate

Account 186280

0

				<u>January</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
January	ERM Deferral	0		Deferral	0 Operating	0
January	Interest		0	Interest	0 Nonoperating	0
	01-31-2013 Balance before interest	0			0 Total	0
				<u>February</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
February	ERM Deferral	0		Deferral	0 Operating	0
February	Interest		0	Interest	0 Nonoperating	0
	02-28-2013 Balance before interest	0			0 Total	0
				<u>March</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
March	ERM Deferral	0		Deferral	0 Operating	0
March	Interest		0	Interest	0 Nonoperating	0
	03-31-2013 Balance before interest	0			0 Total	0
				<u>April</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
April	ERM Deferral	(42,092)		Deferral	(14,732) Operating	14,732
April	Interest		(65)	Interest	(23) Nonoperating	23
	04-30-2013 Balance before interest	(42,092)			(14,755) Total	14,755
				<u>May</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
May	ERM Deferral	0		Deferral	0 Operating	0
May	Interest		(130)	Interest	(46) Nonoperating	46
	05-31-2013 Balance before interest	(42,092)			(46) Total	46
				<u>June</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
June	ERM Deferral	0		Deferral	0 Operating	0
June	Interest		(130)	Interest	(46) Nonoperating	46
	06-30-2013 Balance before interest	(42,092)			(46) Total	46
	GL Balance including interest	(42,417)				
				<u>July</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
July	ERM Deferral	0		Deferral	0 Operating	0
July	Interest		(131)	Interest	(46) Nonoperating	46
	07-31-2013 Balance before interest	(42,417)			(46) Total	46
				<u>August</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
August	ERM Deferral	0		Deferral	0 Operating	0
August	Interest		(131)	Interest	(46) Nonoperating	46
	08-31-2013 Balance before interest	(42,417)			(46) Total	46
				<u>September</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
September	ERM Deferral	0		Deferral	0 Operating	0
September	Interest		(131)	Interest	(46) Nonoperating	46
	09-30-2013 Balance before interest	(42,417)			(46) Total	46
				<u>October</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
October	ERM Deferral	0		Deferral	0 Operating	0
October	Interest		(131)	Interest	(46) Nonoperating	46
	10-31-2013 Balance before interest	(42,417)			(46) Total	46
				<u>November</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
November	ERM Deferral	0		Deferral	0 Operating	0
November	Interest		(131)	Interest	(46) Nonoperating	46
	11-30-2013 Balance before interest	(42,417)			(46) Total	46
				<u>December</u>	<u>DFIT Expense</u>	<u>ADFIT</u>
December	ERM Deferral	0		Deferral	0 Operating	0
December	Interest		(131)	Interest	(46) Nonoperating	46
	12-31-2013 Balance before interest	(42,417)			(46) Total	46

Avista Corp. - Resource Accounting
WASHINGTON POWER COST DEFERRALS

lo.	WASHINGTON ACTUALS	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
	TOTAL												
1	555 Purchased Power	\$85,510,142	\$21,539,745	\$22,104,015	\$20,960,073	\$20,905,309	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	447 Sale for Resale	(\$62,883,032)	(\$12,905,975)	(\$15,517,405)	(\$16,583,592)	(\$17,875,060)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Less SMUD RECs	\$1,642,188	\$386,645	\$413,775	\$392,734	\$449,034	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	501 Thermal Fuel	\$10,867,002	\$2,623,111	\$2,267,901	\$2,859,659	\$2,916,331	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5	547 CT Fuel	\$33,077,504	\$9,204,962	\$8,536,356	\$10,681,589	\$4,654,597	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	456 Transmission Revenue	-\$3,114,556	(\$951,740)	(\$1,195,617)	(\$252,995)	(\$714,204)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	565 Transmission Expense	\$5,917,044	\$1,484,501	\$1,466,679	\$1,491,322	\$1,474,542	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	557 Broker Fees	\$371,346	\$87,884	\$78,612	\$97,888	\$106,962	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Less Clearwater directly assigned to ID	-\$6,065,926	(\$1,653,450)	(\$1,386,702)	(\$1,535,034)	(\$1,490,740)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Adjusted Actual Net Expense	\$65,121,712	\$19,815,683	\$18,767,814	\$18,111,644	\$10,426,771	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Total through April												
	AUTHORIZED NET EXPENSE-SYSTEM												
11	555 Purchased Power	\$51,370,021	\$14,997,446	\$13,232,443	\$12,710,508	\$10,429,524	\$8,530,863	\$6,277,524	\$8,213,533	\$10,240,223	\$8,039,783	\$9,414,550	\$13,454,232
12	447 Sale for Resale	(\$27,766,859)	(\$6,903,038)	(\$6,253,766)	(\$6,574,919)	(\$8,035,136)	(\$7,462,411)	(\$6,358,811)	(\$7,752,369)	(\$4,810,418)	(\$6,288,985)	(\$7,401,091)	(\$8,733,727)
13	Less SMUD RECs	\$1,535,876	\$383,969	\$383,969	\$383,969	\$383,969	\$383,969	\$383,969	\$383,969	\$383,969	\$383,969	\$383,969	\$383,969
14	501 Thermal Fuel	\$10,242,853	\$2,779,051	\$2,667,744	\$2,775,501	\$2,020,557	\$1,704,426	\$1,475,295	\$2,739,032	\$2,918,939	\$3,052,588	\$2,913,823	\$3,010,108
15	547 CT Fuel	\$31,346,851	\$9,324,061	\$8,646,899	\$8,377,117	\$4,998,775	\$3,034,991	\$2,592,359	\$7,522,825	\$9,214,643	\$9,279,297	\$9,863,116	\$10,707,641
16	456 Transmission Revenue	(\$3,238,350)	(\$963,388)	(\$699,857)	(\$845,492)	(\$729,613)	(\$837,639)	(\$1,003,326)	(\$1,160,267)	(\$947,472)	(\$1,081,246)	(\$894,834)	(\$876,220)
17	565 Transmission Expense	\$5,938,020	\$1,520,361	\$1,465,382	\$1,508,739	\$1,443,638	\$1,426,268	\$1,396,752	\$1,441,175	\$1,489,048	\$1,556,734	\$1,674,187	\$1,644,372
18	557 Broker Fees	\$333,921	\$42,656	\$64,015	\$129,860	\$97,390	\$52,577	\$70,281	\$65,808	\$76,848	\$86,944	\$52,696	\$100,670
19	Authorized Net Expense	\$69,762,333	\$21,181,117	\$19,506,829	\$18,465,383	\$10,809,004	\$8,833,044	\$6,834,043	\$11,463,706	\$18,143,062	\$14,899,984	\$18,376,206	\$19,689,045
20	Actual - Authorized Net Expense	(\$4,640,621)	(\$1,365,434)	(\$2,739,215)	(\$363,739)	(\$182,233)							
21	Resource Optimization	-\$1,777,843	(\$8,780)	\$76,226	(\$1,097,189)	(\$750,100)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
22	Adjusted Net Expense	(\$6,418,464)	(\$1,372,214)	(\$2,662,989)	(\$1,450,928)	(\$932,333)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23	Washington Allocation		65.24%	65.24%	65.24%	65.24%	65.24%	65.24%	65.24%	65.24%	65.24%	65.24%	65.24%
24	Washington Share	(\$4,187,405)	(\$895,232)	(\$1,737,334)	(\$946,585)	(\$608,254)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25	WA Retail Revenue Adjustment (+) Surcharge (-) Rebate	\$131,283	(\$777,950)	\$601,550	\$699,607	(\$391,924)							
26	Net Power Cost (+) Surcharge (-) Rebate	(\$4,056,122)	(\$1,673,182)	(\$1,136,784)	(\$246,978)	(\$1,000,178)							
27	Cumulative Balance	(\$1,673,182)	(\$2,808,956)	(\$3,055,944)	(\$4,056,122)								
	deferral Amount, Cumulative (Customer)	\$0	\$0	\$0	(\$42,092)								
	deferral Amount, Monthly	\$0	\$0	\$0	(\$42,092)								
	cct 557280 Entry; (+) Rebate, (-) Surcharge	\$42,092	\$0	\$0	\$0	\$42,092							
	Company Band Gross Margin Impact, Cumulative	(\$1,673,182)	(\$2,808,956)	(\$3,055,944)	(\$4,014,030)								

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

Line No.	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
555 PURCHASED POWER												
1	\$10,052,771	\$10,888,086	\$10,669,484	\$10,344,154	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	\$985,401	\$985,401	\$985,401	\$985,401	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	\$89,299	\$42,583	\$38,244	\$135,745	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	\$151,593	\$151,593	\$151,593	\$151,593	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5	\$513,376	\$513,376	\$513,376	\$513,376	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	\$3,356,108	\$3,032,593	\$1,656,844	\$1,608,783	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	\$644	\$821	\$685	\$798	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	\$127,624	\$168,708	\$128,300	\$140,576	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	\$177,403	\$154,919	\$135,319	\$125,179	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	\$231,637	\$275,639	\$406,100	\$307,488	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	\$591,664	\$468,708	\$509,194	\$509,241	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12	\$235,641	\$345,786	\$293,486	\$411,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	\$2,108,744	\$2,110,000	\$2,160,263	\$1,943,616	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	\$1,215,994	\$1,578,213	\$1,721,857	\$2,221,211	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	\$1,853,450	\$1,368,702	\$1,535,034	\$1,460,740	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	\$61,878	\$52,609	\$52,182	\$51,745	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	(\$14,460)	(\$49,702)	\$2,838	(\$35,147)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18	\$21,539,746	\$22,104,015	\$20,960,073	\$20,906,309	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(1) Effective November, 2008, WNP-3 purchase expense has been adjusted to reflect the mid-point price, per Settlement Agreement, Cause No. U-88-89												
447 SALES FOR RESALE												
19	(\$9,059,956)	(\$11,348,663)	(\$11,775,438)	(\$13,082,535)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20	(\$145,955)	(\$146,410)	(\$146,150)	(\$145,150)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
21	(\$89,524)	(\$93,651)	(\$133,768)	(\$101,856)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
22	(\$6,543)	(\$5,964)	(\$6,779)	(\$6,563)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23	(\$42,340)	(\$36,776)	(\$40,340)	(\$36,226)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	(\$1,801,862)	(\$1,856,399)	(\$2,081,277)	(\$2,052,824)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25	(\$1,752,795)	(\$2,029,502)	(\$2,399,640)	(\$2,450,904)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26	(\$12,905,976)	(\$15,517,405)	(\$16,563,692)	(\$17,876,060)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
501 FUEL-DOLLARS												
27	\$678,253	\$531,718	\$739,340	\$510,421	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
28	(\$53)	\$2,227	\$522	\$3,987	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
29	\$1,916,760	\$1,733,757	\$2,113,384	\$2,387,077	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30	\$28,151	\$199	\$6,413	\$14,846	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
31	\$2,623,111	\$2,267,901	\$2,859,659	\$2,916,331	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
501 FUEL-TONS												
32	43,023	36,056	51,328	37,387	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33	97,667	92,223	95,956	90,401	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
501 FUEL-COST PER TON												
34	\$15,76	\$14,75	\$14,40	\$13,65	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
35	\$19,62	\$18,80	\$22,09	\$26,41	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
36	(\$14)	\$1,281	\$36	\$4,643	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
37	\$52,379	(\$19)	\$45,838	\$12,945	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
38	\$14,890	\$7,806	\$2,376	\$2,376	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
39	\$4,463,471	\$4,301,488	\$5,331,017	\$2,349,259	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
40	\$4,599,425	\$4,233,735	\$5,206,243	\$2,275,487	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
41	\$74,811	(\$129)	\$68,649	\$9,887	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
42	\$9,204,962	\$8,536,356	\$10,661,569	\$4,654,587	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

Line No.	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
43 TOTAL NET EXPENSE	\$20,461,843	\$17,380,867	\$17,917,729	\$10,501,177	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
466 TRANSMISSION REVENUE												
44 458100 ED AN	(\$951,740)	(\$663,617)	(\$784,895)	(\$714,204)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
45 458120 ED AN - BPA Settlement	\$0	(\$12,224,000)	(\$266,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
46 Exclude Prior Year BPA Settlement	\$0	\$11,692,000	\$798,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
47 458705 ED AN - Do not include Low Voltage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
48 Total 466 Transmission Revenue	(\$951,740)	(\$1,195,617)	(\$252,895)	(\$714,204)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
565 TRANSMISSION EXPENSE												
49 565000 ED AN	\$1,482,471	\$1,464,649	\$1,489,292	\$1,472,512	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
50 565312 ED AN	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
51 565710 ED AN	\$2,030	\$2,030	\$2,030	\$2,030	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
52 Total 565 Transmission Expense	\$1,484,501	\$1,466,679	\$1,491,322	\$1,474,542	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
53 Total 567170 ED AN Broker Fees	\$87,884	\$78,812	\$97,888	\$108,962	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RESOURCE OPTIMIZATION												
54 Econ Dispatch-557010	\$988,629	\$1,030,570	\$1,808,007	\$751,889	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
55 Econ Dispatch-557150	\$5,165,586	\$4,950,782	\$4,897,734	\$7,725,860	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
56 Gas Bookouts-557700	\$0	\$5,100	\$1,743,692	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
57 Gas Bookouts-557711	\$0	(\$5,100)	(\$1,743,692)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
58 Intraco Thermal Gas-557730	\$4,446,559	\$4,473,128	\$4,685,083	\$1,920,642	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
59 Fuel DispatchFin-456010	(\$1,086,961)	(\$956,810)	(\$1,551,264)	(\$681,390)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
60 Fuel Dispatch-456015	(\$1,664,426)	(\$130,271)	(\$303,632)	(\$1,294,351)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
61 Intraco Thermal Gas-456730	(\$7,893,998)	(\$9,311,944)	(\$10,621,480)	(\$9,276,456)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
62 Fuel Bookouts-456711	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
63 Fuel Bookouts-456720	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
64 Resource Optimization Subtotal	(\$44,809)	\$55,456	(\$1,085,562)	(\$733,756)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
65 Misc Power Exp. Authorized	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
66 Misc. Power Exp. Actual-557160 ED AN	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
67 KPWF Contract Buyout	\$47,200	\$34,400	\$34,400	\$14,400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
68 Misc. Power Exp. Subtotal	\$47,200	\$34,400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
69 Wind REC Exp Authorized	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70 Wind REC Exp Actual 557395	(\$9,371)	(\$13,630)	(\$11,637)	(\$16,344)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
71 Wind REC Subtotal	(\$9,371)	(\$13,630)	(\$11,637)	(\$16,344)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
72 Net Resource Optimization	(\$6,780)	\$76,226	(\$1,087,189)	(\$750,100)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
73 Adjusted Actual Net Expense	\$21,075,708	\$17,816,767	\$18,156,765	\$10,718,377	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Avisia Corp. - Resource Accounting
 Washington Electric Jurisdiction
Energy Recovery Mechanism (ERM) Retail Revenue Credit Calculation - 2013

Retail Sales - MWh	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	YTD
Total Billed Sales	551,664	547,330	478,059	450,826									2,027,878
Deduct Prior Month Unbilled	(386,432)	(394,313)	(346,363)	(324,873)	(299,760)								(1,760,540)
Add Current Month Unbilled	394,313	345,363	324,873	289,760									1,364,108
Total Retail Sales	549,545	498,380	457,368	425,912	(299,760)								1,631,445
Test Year Retail Sales	525,347	517,091	479,129	413,722	412,816	423,337	437,672	482,257	407,780	448,458	475,296	551,952	5,674,856
Difference from Test Year	24,198	(18,711)	(21,761)	12,190									(4,083)
Production Rate - \$/MWh	\$32.15	\$32.15	\$32.15	\$32.15	\$32.15	\$32.15	\$32.15	\$32.15	\$32.15	\$32.15	\$32.15	\$32.15	\$32.15
Total Revenue Credit - \$	\$777,960	(\$601,660)	(\$699,607)	\$391,924									(\$131,284)

Electric Revenue Report by Revenue Class
Current Month and Year-to-Date
 for Accounting Period : 201304 , State Code : WA

Accounting Period 201304 State Code WA

REVENUE CLASS	Meters	Usage	Revenue Amt	YTD Average Meters	Ytd Usage
01 RESIDENTIAL	213,212	203,942,436	17,855,823	213,316	1,002,567,385
18 THEFT OF SERVICE-ELECTRIC	0	0	2,416	0	0
21 FIRM COMMERCIAL	23,303	165,446,600	15,904,954	23,290	707,451,917
31 FIRM- INDUSTRIAL	355	77,454,281	4,665,782	356	306,243,786
39 FIRM-PUMPING-IRRIGATION ONLY	569	1,730,202	147,097	568	2,593,675
51 LIGHTING-PUBLIC STREET AND HIWAY	380	1,409,874	423,071	378	5,640,431
61 ENERGY EXCHANGE-RESIDENTIAL	0	0	0	0	0
80 INTERDEPARTMENT REVENUE	54	842,209	77,283	54	3,380,899
83 MISC-SERVICE REVENUE SNP	0	0	34,476	0	0
85 MISC-RENT FROM ELECTRIC PROPERTY	0	0	24,447	0	0
Total WA	237,873	450,825,602	39,135,348	237,962	2,027,878,093
Total WA	237,873	450,825,602	39,135,348	237,962	2,027,878,093

Report Path: \\055R\Report\Period, Electric, Revenue Class LIKE :REVCSS',REVCORR',REVBHL',REVCAE',REVCORR')

Accounting Period	201304	State Code	WA	Ytd Revenue Amt
REVENUE CLASS				
01 RESIDENTIAL				87,879,687
18 THEFT OF SERVICE-ELECTRIC				6,125
21 FIRM COMMERCIAL				67,235,330
31 FIRM- INDUSTRIAL				18,494,430
39 FIRM-PUMPING-IRRIGATION ONLY				244,698
51 LIGHTING-PUBLIC STREET AND HIWAY				1,670,804
61 ENERGY EXCHANGE-RESIDENTIAL				-268
80 INTERDEPARTMENT REVENUE				305,393
83 MISC-SERVICE REVENUE SNP				128,422
85 MISC-RENT FROM ELECTRIC PROPERTY				97,788
Total WA				176,062,408
Total WA				176,062,408

RAIRING PERIOD: 04/01/2013 TO 04/30/2013
 Revenue Class LIKE :Revenue Class, Source Id IN ('REVCSS','REVCORR','REVHBL','REVCAE','REVCORRR')

ELECTRIC UNBILLED KWH AND REVENUE									
REVENUE CLASS	ACCOUNT DESCRIPTION	TOWN	RATE SCH	Current Gross Unbilled KWH	Current Gross Unbilled REVENUE	Prior Month Reversal KWH	Prior Month Reversal REVENUE	Net Change KWH	Net Change REVENUE
2800	WASHINGTON								
01	Residential Service		001	117,218,348	\$ 10,139,088	(132,749,248)	\$ (11,316,226)	(15,530,900)	\$ (1,177,126)
01	Residential Farm Gen		012	2,793,972	\$ 375,737	(3,180,048)	\$ (444,104)	(386,074)	\$ (38,297)
01	Residential Farm Lg		022	1,830,633	\$ 138,367	(2,120,031)	\$ (187,831)	(288,498)	\$ (19,464)
01	Residential Farm Pump		032	160,873	\$ 23,022	(141,335)	\$ (21,281)	19,238	\$ 1,741
21	Commercial General		011	24,278,660	\$ 2,747,672	(25,283,898)	\$ (2,844,439)	(885,048)	\$ (86,867)
21	Commercial Lg General		021	69,123,008	\$ 4,866,738	(62,762,906)	\$ (4,934,440)	(3,629,897)	\$ (288,702)
21	Commercial Extra Lg		025	22,807,699	\$ 1,397,382	(22,837,626)	\$ (1,406,026)	(229,926)	\$ (8,643)
21	Commercial Pump		031	1,641,892	\$ 130,695	(1,826,357)	\$ (137,339)	(63,955)	\$ (6,640)
31	Industrial General		011	289,032	\$ 31,630	(282,671)	\$ (30,776)	6,361	\$ 755
31	Industrial Lg General		021	6,138,339	\$ 384,239	(6,616,081)	\$ (418,711)	(478,742)	\$ (34,483)
31	Industrial Extra Lg		025	63,814,465	\$ 3,663,278	(67,539,447)	\$ (3,723,301)	(3,721,882)	\$ (170,027)
31	Industrial Pump		031	983,438	\$ 70,206,274	(83,433)	\$ (60,984)	398,097	\$ 32,439
	WASHINGTON TOTAL			259,759,659	\$ 23,670,077	(324,672,686)	\$ (25,469,491)	(24,913,126)	\$ (1,785,364)
	IDAHO								
3800	Residential Service		001	65,264,807	\$ 4,901,636	(64,696,266)	\$ (6,675,864)	(8,431,459)	\$ (674,318)
3800	Residential Farm Gen		012	1,196,126	\$ 133,807	(1,342,886)	\$ (148,462)	(1,186,660)	\$ (15,646)
3800	Residential Farm Lg		022	646,948	\$ 38,722	(600,675)	\$ (39,723)	(54,727)	\$ (3,001)
3800	Residential Farm Pump		032	96,344	\$ 11,084	(106,002)	\$ (11,797)	(9,659)	\$ (713)
3800	Commercial General		011	16,286,667	\$ 1,447,028	(16,076,898)	\$ (1,614,245)	(790,342)	\$ (87,217)
3800	Commercial Lg General		021	27,265,309	\$ 1,871,677	(28,938,417)	\$ (1,987,967)	(1,673,108)	\$ (96,280)
3800	Commercial Extra Lg		025	4,986,452	\$ 278,733	(5,066,387)	\$ (271,467)	(69,935)	\$ 7,246
3800	Commercial Pump		031	899,209	\$ 48,447,627	(1,024,661)	\$ (89,917)	(125,472)	\$ (10,647)
31	Industrial General		011	224,802	\$ 20,866	(247,337)	\$ (22,669)	(22,536)	\$ (1,873)
31	Industrial Lg General		021	6,170,463	\$ 326,608	(6,123,407)	\$ (322,667)	47,046	\$ 3,022
31	Industrial Extra Lg		025	19,799,087	\$ 1,034,788	(20,446,776)	\$ (1,078,748)	(67,691)	\$ (43,968)
31	Industrial Pump		031	889,209	\$ 26,083,651	(883,946)	\$ (76,433)	15,863	\$ 1,373
	IDAHO TOTAL			132,694,303	\$ 10,216,716	(144,662,861)	\$ (13,120,657)	(11,856,978)	\$ (902,142)
	WASHINGTON & IDAHO TOTAL			432,363,862	\$ 0,0784	(469,225,696)	\$ 0,0780	(36,678,318)	\$ (2,687,526)

Avista Corp. - Resource Accounting
Sacramento Municipal Utility District (SMUD) Deal Delivery Summary From Nucleus

System NR	Deal #	Volume - MWhs												Total MWhs		
		Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13			
141888	12															12
System	142305	1,750	8,400	470	9,697											20,317
System	141868	6,599	16,800	1,400	21,100											45,899
CS2	141878	27,929	16,800	33,588	14,782											93,099
CS2	142314	7,942	5,890	14,200	5,584											33,616
Mid C	141880	2,400														2,400
Mid C	142315	801														801
Lanc	166019				100											100
Lanc	166020				50											50
Total All Deals		47,433	47,890	49,658	51,313											196,294
Total Excluding "Brown"		47,421	47,890	49,658	51,313											196,282
Power Deal 141888																

System NR	Deal #	Dollars												Total Dollars		
		Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13			
141888	12															
System	142305	\$15,750	\$75,600	\$4,230	\$87,273	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$182,853
System	141868	\$62,691	\$159,600	\$13,300	\$200,450	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$436,041
CS2	141878	\$223,432	\$134,400	\$268,704	\$118,256	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$744,792
CS2	142314	\$59,565	\$44,175	\$106,500	\$41,880	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$252,120
Mid C	141880	\$19,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,200
Mid C	142315	\$6,008	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,008
Lanc	166019	\$0	\$0	\$0	\$800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$800
Lanc	166020	\$0	\$0	\$0	\$375	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$375
Total All Deals		\$386,645	\$413,775	\$392,734	\$449,034	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,642,188
Total Excluding "Brown"		\$386,645	\$413,775	\$392,734	\$449,034	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,642,188
Power Deal 141888																

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 12/31/12 is	5.711%	Actual cost of debt at 06/30/12 is	5.713%
The monthly rate is:	0.00476 Before Tax	The monthly rate is:	0.00476 Before Tax
	0.0030935 After Tax		0.0030945 After Tax
	35.00% Tax rate		35.00% Tax rate

Account 186290

12-31-2012 GL Balance including interest (8,756,638) \$3,064,823

			January	DFIT Expense	ADFIT
January		0			
January	Interest	(27,089)	Interest	(9,481) Nonoperating	9,481
01-31-2013	Balance before interest	(8,756,638)		(9,481) Total	9,481
			February	DFIT Expense	ADFIT
February	2012 Trans. Revenue Adj.	(101,807)			
February	2012 REC Expense Adjustment	(7,545)			
February	Interest	(27,383)	Interest	(9,584) Nonoperating	9,584
02-28-2013	Balance before interest	(8,865,990)		(9,584) Total	9,584
			March	DFIT Expense	ADFIT
March		0			
March	Palouse Transfer from 186810	(80,774)			
March	Interest	(27,552)	Interest	(9,643) Nonoperating	9,643
03-31-2013	Balance before interest	(8,946,764)		(9,643) Total	9,643
			April	DFIT Expense	ADFIT
April		0	Deferral		
April	Interest	(27,677)	Interest	(9,687) Nonoperating	9,687
04-30-2013	Balance before interest	(8,946,764)		(9,687) Total	9,687
			May	DFIT Expense	ADFIT
May		0	Deferral		
May	Interest	(27,677)	Interest	(9,687) Nonoperating	9,687
05-31-2013	Balance before interest	(8,946,764)		(9,687) Total	9,687
			June	DFIT Expense	ADFIT
June		0	Deferral		
June	Interest	(27,677)	Interest	(9,687) Nonoperating	9,687
	Balance including interest	(8,946,764)		(9,687) Total	9,687
	ERM Transfer to 182350	0			
06-30-2013	Balance	(8,946,764)			
			July	DFIT Expense	ADFIT
July		0	Deferral		
July	Interest	0	Interest	0 Nonoperating	0
07-31-2013	Balance before Interest	0		0 Total	0
			August	DFIT Expense	ADFIT
August		0	Deferral		
August	Interest	0	Interest	0 Nonoperating	0
08-31-2013	Balance before interest	0		0 Total	0
			September	DFIT Expense	ADFIT
September		0	Deferral		
September	Interest	0	Interest	0 Nonoperating	0
09-30-2013	Balance before interest	0		0 Total	0
			October	DFIT Expense	ADFIT
October		0	Deferral		
October	Interest	0	Interest	0 Nonoperating	0
10-31-2013	Balance before Interest	0		0 Total	0
			November	DFIT Expense	ADFIT
November		0	Deferral		
November	Interest	0	Interest	0 Nonoperating	0
11-30-2013	Balance before interest	0		0 Total	0
			December	DFIT Expense	ADFIT
December		0	Deferral		
December	Interest	0	Interest	0 Nonoperating	0
12-31-2013	Balance before interest	0		0 Total	0

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 12/31/12 is	5.711%	Actual cost of debt at 06/30/12 is	5.713%
The monthly rate is:	0.00476 Before Tax	The monthly rate is:	0.00476 Before Tax
	0.0030935 After Tax		0.0030945 After Tax
	35.00% Tax rate		35.00% Tax rate

Account 182350

12-31-2012 GL Balance including interest		(13,429,980)					4,700,493
January	Surcharge Amortization	110,250		<u>January</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
January	Interest		(41,375)	Amortization	38,588 Operating		(38,588)
01-31-2013	Balance before interest	(13,319,730)		Interest	(14,481) Nonoperating		14,481
					24,107 Total		(24,107)
February	Surcharge Amortization	401,167		<u>February</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
February	Interest		(40,597)	Amortization	140,408 Operating		(140,408)
02-28-2013	Balance before interest	(12,918,563)		Interest	(14,209) Nonoperating		14,209
					126,199 Total		(126,199)
March	Surcharge Amortization	363,286		<u>March</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
March	Interest		(39,414)	Amortization	127,150 Operating		(127,150)
03-31-2013	Balance before interest	(12,555,277)		Interest	(13,795) Nonoperating		13,795
					113,355 Total		(113,355)
April	Surcharge Amortization	340,364		<u>April</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
April	Interest		(38,288)	Amortization	119,127 Operating		(119,127)
04-30-2013	Balance before interest	(12,214,913)		Interest	(13,401) Nonoperating		13,401
					105,726 Total		(105,726)
May	Surcharge Amortization	0		<u>May</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
May	Interest		(37,787)	Amortization	0 Operating		0
05-31-2013	Balance before interest	(12,214,913)		Interest	(13,225) Nonoperating		13,225
					(13,225) Total		13,225
June	Balance transfer	0		<u>June</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
June	Surcharge Amortization	0		Amortization	0 Operating		0
June	Interest		(37,787)	Interest	(13,225) Nonoperating		13,225
06-30-2013	Balance including interest	(12,214,913)			(13,225) Total		13,225
July	GL Balance including Interest	(12,214,913)		<u>July</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
July	Surcharge Amortization	0		Amortization	0 Operating		0
July	Interest		(37,799)	Interest	(13,230) Nonoperating		13,230
07-31-2013	Balance before interest	(12,214,913)			(13,230) Total		13,230
August	Surcharge Amortization	0		<u>August</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
August	Interest		(37,799)	Amortization	0 Operating		0
08-31-2013	Balance before interest	(12,214,913)		Interest	(13,230) Nonoperating		13,230
					(13,230) Total		13,230
September	Surcharge Amortization	0		<u>September</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
September	Interest		(37,799)	Amortization	0 Operating		0
09-30-2013	Balance before interest	(12,214,913)		Interest	(13,230) Nonoperating		13,230
					(13,230) Total		13,230
October	Surcharge Amortization	0		<u>October</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
October	Interest		(37,799)	Amortization	0 Operating		0
10-31-2013	Balance before interest	(12,214,913)		Interest	(13,230) Nonoperating		13,230
					(13,230) Total		13,230
November	Surcharge Amortization	0		<u>November</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
November	Interest		(37,799)	Amortization	0 Operating		0
11-30-2013	Balance before interest	(12,214,913)		Interest	(13,230) Nonoperating		13,230
					(13,230) Total		13,230
December	Surcharge Amortization	0		<u>December</u>	<u>DFIT Expense</u>		<u>ADFIT</u>
December	Interest		(37,799)	Amortization	0 Operating		0
12-31-2013	Balance before interest	(12,214,913)		Interest	(13,230) Nonoperating		13,230
					(13,230) Total		13,230

AVISTA CORPORATION
 APRIL 2013 WASHINGTON ENERGY RECOVERY MECHANISM REBATE REVENUE & DEFERRAL AMORTIZATION

Schedule (a)	kWh or \$ (b)	Proration Percentages		Rebate Rates		Current Month Rebate Revenue		Total (i) (g)+(h)
		Before 01-Jan-13 (c)	On/After 01-Jan-13 (d)	Before 01-Jan-13 (e)	On/After 01-Jan-13 (f)	Rate Before 01-Jan-13 (g)	Rate On/After 01-Jan-13 (h)	
1	195,685,539	0.00%	100.00%	0.000¢	(0.080¢)	0	-156,548	-156,548
11	41,171,579	0.00%	100.00%	0.000¢	(0.110¢)	0	-45,289	-45,289
12	4,651,911	0.00%	100.00%	0.000¢	(0.110¢)	0	-5,117	-5,117
21	107,898,039	0.00%	100.00%	0.000¢	(0.083¢)	0	-89,555	-89,555
22	3,076,130	0.00%	100.00%	0.000¢	(0.083¢)	0	-2,553	-2,553
25	90,957,221	0.00%	100.00%	0.000¢	(0.053¢)	0	-48,207	-48,207
30	680,662	0.00%	100.00%	0.000¢	(0.073¢)	0	-497	-497
31	4,168,745	0.00%	100.00%	0.000¢	(0.073¢)	0	-3,043	-3,043
32	394,272	0.00%	100.00%	0.000¢	(0.073¢)	0	-288	-288
41-46	1,401,192	0.00%	100.00%	0.000¢	(0.246¢)	0	-3,447	-3,447
47	471,830	0.00%	100.00%	0.000¢	(0.246¢)	0	-1,161	-1,161
48	268,482	0.00%	100.00%	0.000¢	(0.246¢)	0	-660	-660
Schedule Totals	450,825,602					\$0	-\$356,365	-\$356,365

kWh not subject to surcharge	0	Conversion factor	0.955100
Sch 28		Amortization	-\$340,364
Total kWh	450,825,602	FIT rate	-35%
		DFIT expense	\$119,127

Electric Revenue Report by Revenue Class Current Month and Year-to-Date for Accounting Period : 201304 , State Code : WA

Accounting Period:201304 State Code:WA

Rate Schedule Num	Meters	Usage	Revenue Amt	TD Avg Meter	Ytd Usage	Ytd Revenue Amt
001	203,540	195,685,539	16,261,482.44	203,641	963,555,079	80,462,317.46
011	20,983	41,171,579	4,767,077.53	20,850	177,246,274	20,209,747.79
012	8,514	4,651,911	620,993.09	8,509	22,222,440	2,839,053.08
021	1,974	107,898,039	9,596,624.46	2,095	464,813,057	40,799,931.56
022	56	3,076,130	256,313.03	59	14,740,050	1,202,501.52
025	21	90,957,221	5,161,756.22	22	359,617,197	20,360,987.27
030	32	680,662	46,535.62	32	692,462	48,662.60
031	1,164	4,168,745	364,728.45	1,161	15,269,841	1,312,367.69
032	1,214	394,272	50,415.03	1,221	1,156,171	162,646.96
041	11	8,720	1,953.17	11	34,880	7,772.11
042	287	1,143,816	378,266.05	286	4,573,754	1,492,939.76
044	13	24,502	3,105.12	13	98,008	12,369.10
044A	1	-	336.00	1	-	1,344.00
045	11	84,237	5,968.60	11	336,948	23,887.06
046	52	139,917	13,419.46	52	557,400	53,366.82
047	-	471,830	106,150.61	-	1,884,776	425,995.18
048	-	268,482	63,410.86	-	1,079,756	257,947.33
058	-	-	1,369,778.72	-	-	6,139,954.80
058A	-	-	(8,398.39)	-	-	(40,140.19)
090	-	-	15,168.25	-	-	60,993.13
095	-	-	60,263.37	-	-	228,031.10
099	-	-	-	-	-	-
Sum	237,873	450,825,602	39,135,347.69	237,962	2,027,878,093	176,062,408.13

Attachment B

Avista Corporation
Monthly Power Cost Deferral Report
Month of April 2013

REC Revenues Deferral Journal

Avista Corporation Journal Entry

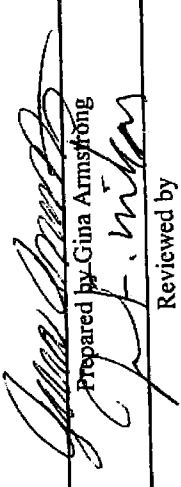
Effective Date: 201304

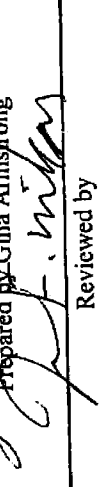
Journal: 475-WASHINGTON REC DEFERRAL
 Team: Resource Accounting
 Type: C
 Category: DJ
 Currency: USD

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

Last Saved: 05/03/2013 11:42 AM
 Approval Requested: 05/03/2013 11:42 AM

Seq	Co	FERC	ED	JrL	S/L	Debit	Credit	Comment
10	001	557322 - DEF POWER SUPPLY EXP-RECs	ED	WA	DL	259,452.00		WA REC Deferral Expense
20	001	186322 - MISC DEF DEBIT - WA REC DEF	ED	WA	DL		259,452.00	WA REC Balance
30	001	419016 - INTEREST INCOME ON REC DEFERRAL	ED	WA	DL	0.00		WA REC Interest Income Accrual
40	001	186322 - MISC DEF DEBIT - WA REC DEF	ED	WA	DL	1,711.00	0.00	WA REC Balance Interest Income Accrual
50	001	431016 - INTEREST EXPENSE ON REC DEFERRAL	ED	WA	DL		1,711.00	WA REC Interest Expense Accrual
60	001	186322 - MISC DEF DEBIT - WA REC DEF	ED	WA	DL	261,163.00	261,163.00	WA REC Balance Interest Expense Accrual
Totals:								


 Prepared by: Gina Armstrong
 Date: 5-3-13

Reviewed by: 
 Date: 5-3-13

Approved for Entry: _____
 Corporate Accounting use Only

Explanation:
 To account for the Washington REC Deferral per Washington UE-120436 and UE-120437.

Avista Corp. - Resources Accounting
 DJ475 - Washington REC Deferral

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 12/31/13 is	5.711%	Actual cost of debt at 06/30/13 is	5.713%
The monthly rate is:	0.00476 Before Tax	The monthly rate is:	0.00476 Before Tax
	0.0030935 After Tax		0.0030945 After Tax
	35.00% Tax rate		35.00% Tax rate

Account 186322-ED-WA

Beginning Balance before interest		(277,010)							
				<u>January</u>	<u>DFIT Expense</u>			<u>ADFIT</u>	
January	REC Deferral	29,099		Deferral	10,185 Operating			(10,185)	
January	Interest		(812)	Interest	(284) Nonoperating			284	
01-31-2013 Balance before interest		(247,911)				9,901 Total			(9,901)
				<u>February</u>	<u>DFIT Expense</u>			<u>ADFIT</u>	
February	REC Deferral	(29,556)		Deferral	(10,345) Operating			10,345	
February	Transfer 2012 Balance from 254360	(84,839)		Interest	(494) Nonoperating			494	
February	Interest		(944)			(10,839) Total			10,839
February	EWEB REC Balance Interest from Jan. 2013		(466)						
02-28-2013 Balance before interest		(362,306)							
				<u>March</u>	<u>DFIT Expense</u>			<u>ADFIT</u>	
March	REC Deferral	(60,986)		Deferral	(21,345) Operating			21,345	
March	Interest		(1,215)	Interest	(425) Nonoperating			425	
03-31-2013 Balance before interest		(423,292)				(21,770) Total			21,770
				<u>April</u>	<u>DFIT Expense</u>			<u>ADFIT</u>	
April	REC Deferral	(259,452)		Deferral	(90,808) Operating			90,808	
April	Interest		(1,711)	Interest	(599) Nonoperating			599	
04-30-2013 Balance before interest		(682,744)				(91,407) Total			91,407
				<u>May</u>	<u>DFIT Expense</u>			<u>ADFIT</u>	
May	REC Deferral	0		Deferral	0 Operating			0	
May	Interest		(2,112)	Interest	(739) Nonoperating			739	
05-31-2013 Balance before interest		(682,744)				(739) Total			739
				<u>June</u>	<u>DFIT Expense</u>			<u>ADFIT</u>	
June	REC Deferral	0		Deferral	0 Operating			0	
June	Interest		(2,112)	Interest	(739) Nonoperating			739	
06-30-2013 Balance before interest		(682,744)				(739) Total			739
				<u>July</u>	<u>DFIT Expense</u>			<u>ADFIT</u>	
July	GL Balance including interest	(692,116)		Deferral	0 Operating			0	
July	REC Deferral	0		Interest	(750) Nonoperating			750	
July	Interest		(2,142)			(750) Total			750
07-31-2013 Balance before interest		(692,116)							
				<u>August</u>	<u>DFIT Expense</u>			<u>ADFIT</u>	
August	REC Deferral	0		Deferral	0 Operating			0	
August	Interest		(2,142)	Interest	(750) Nonoperating			750	
08-31-2013 Balance before interest		(692,116)				(750) Total			750
				<u>September</u>	<u>DFIT Expense</u>			<u>ADFIT</u>	
September	REC Deferral	0		Deferral	0 Operating			0	
September	Interest		(2,142)	Interest	(750) Nonoperating			750	
09-30-2013 Balance before interest		(692,116)				(750) Total			750
				<u>October</u>	<u>DFIT Expense</u>			<u>ADFIT</u>	
October	REC Deferral	0		Deferral	0 Operating			0	
October	Interest		(2,142)	Interest	(750) Nonoperating			750	
10-31-2013 Balance before interest		(692,116)				(750) Total			750
				<u>November</u>	<u>DFIT Expense</u>			<u>ADFIT</u>	
November	REC Deferral	0		Deferral	0 Operating			0	
November	Interest		(2,142)	Interest	(750) Nonoperating			750	
11-30-2013 Balance before interest		(692,116)				(750) Total			750
				<u>December</u>	<u>DFIT Expense</u>			<u>ADFIT</u>	
December	REC Deferral	0		Deferral	0 Operating			0	
December	Interest		(2,142)	Interest	(750) Nonoperating			750	
12-31-2013 Balance before interest		(692,116)				(750) Total			750

**Avista Corp. - Resource Accounting
 Washington REC Deferral Summary - DJ475**

REC REVENUE & EXPENSE	Debit	Credit	Entry
<hr/>			
January Revenue (Adjustment)			
186322	\$35		
557322		\$35	
January Expense			
186322	\$854		
557322		\$854	
<hr/>			
February Revenue			
186322		\$26,237	
557322	\$26,237		
February Expense			
186322		\$4,208	
557322	\$4,208		
<hr/>			
March Revenue			
186322		\$68,228	
557322	\$68,228		
March Expense			
186322	\$7,242		
557322		\$7,242	
March Total			
186322	\$7,242	\$68,228	\$60,986 Credit
557322	\$68,228	\$7,242	-\$60,986 Debit
<hr/>			
April Revenue			
186322		\$260,296	
557322	\$260,296		
April Expense			
186322	\$844		
557322		\$844	
April Total			
186322	\$844	\$260,296	\$259,452 Credit
557322	\$260,296	\$844	-\$259,452 Debit
<hr/>			

Avista Corp. - Resource Accounting
Sacramento Municipal Utility District (SMUD) Deal Delivery Summary From Nucleus

Deal #	\$/MWh	Volume - MWhs												Total MWhs			
		Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13				
System NR	\$0.00	12															12
System	\$9.00	1,750	8,400	470	9,697												20,317
System	\$9.50	6,599	16,800	1,400	21,100												45,899
CS2	\$8.00	27,929	16,800	33,588	14,782												93,099
CS2	\$7.50	7,942	5,890	14,200	5,584												33,616
Mid C	\$8.00	2,400															2,400
Mid C	\$7.50	801															801
Lanc	\$8.00				100												100
Lanc	\$7.50				50												50
Total All Deals		47,433	47,890	49,658	51,313												196,294
Total Excluding "Brown" Power Deal 141888		47,421	47,890	49,658	51,313												196,282

Deal #	\$/MWh	Dollars												Total Dollars			
		Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13				
System NR	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
System	\$9.00	\$15,750	\$75,600	\$4,230	\$87,273	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$182,853
System	\$9.50	\$62,691	\$159,600	\$13,300	\$200,450	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$436,041
CS2	\$8.00	\$223,432	\$134,400	\$268,704	\$118,256	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$744,792
CS2	\$7.50	\$59,565	\$44,175	\$106,500	\$41,880	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$252,120
Mid C	\$8.00	\$19,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,200
Mid C	\$7.50	\$6,008	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,008
Lanc	\$8.00	\$0	\$0	\$0	\$800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$800
Lanc	\$7.50	\$0	\$0	\$0	\$375	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$375
Total All Deals		\$386,645	\$413,775	\$392,734	\$449,034	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,642,188
Total Excluding "Brown" Power Deal 141888		\$386,645	\$413,775	\$392,734	\$449,034	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,642,188

Attachment C

**Avista Corporation
Monthly Power Cost Deferral Report
Month of April 2013**

Long-Term Power Transaction

**POWER PURCHASE AND SALE AGREEMENT
BETWEEN**

**AND
AVISTA CORPORATION**

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This Power Purchase Agreement (“Agreement”) dated April, 5 2013 (“Effective Date”) is made by and between Avista Corporation, a Washington corporation (“Avista”), and Deep Creek Energy (“Seller”), a Washington limited liability corporation . Seller and Avista may be referred to collectively as “Parties” and individually as “Party.”

Background and Purpose: Seller operates a power production facility more particularly described in Section 5 of this Agreement (“Facility”) with a generating capacity of 5,000 kilowatts (“kW”) or less. Seller has rights to and wishes to sell electric power generated by the Facility to Avista and Avista is willing to purchase such electric power.

Therefore, the Parties agree as follows:

1. **DEFINITIONS.**

Except as otherwise defined in this Agreement, the following terms will have the following meanings:

1.1 **“Commission”** means the Washington Utilities and Transportation Commission.

1.2 **“Facility”** means the power production facility more particularly described in Section 5 of this Agreement, including all equipment and structures necessary to generate and supply electric energy to Avista’s electrical system.

1.3 **“Force Majeure”** will have the meaning provided in Section 11 of this Agreement.

1.4 **“Interconnection Agreement”** means the Small Generator and Interconnection and Construction Agreement executed by the Parties and attached hereto as Exhibit 1, which governs the terms and conditions under which the Facility will interconnect and operate in parallel with Avista’s electric system.

1.5 **“NERC”** means the North American Electric Reliability Corporation or its successor.

1.6 **“Net Electric Output”** means capability and electric power generated by the Facility, less facility service power and less electric power used to compensate for losses, if any, incurred in transmitting electric power generated by the Facility and delivered to Avista’s electric system.

1.7 **“Point of Delivery”** means the location, as specified in Exhibit 1 of this Agreement as the Point of Interconnection, where the Net Electric Output is delivered to Avista’s electrical system.

1.8 **“Power Sales”** means the transactions in which Seller sells Net Electric Output to Avista.

1.9 **“Premises”** means the site Seller at which the Facility is located as more particularly described in Section 5 of this Agreement.

1.10 **“Prudent Utility Practices”** means the practices, methods, and acts commonly and ordinarily used in electrical engineering and operations by a significant portion of the electric power generation and transmission industry in the exercise of reasonable judgment in the light of the facts known or that should have been known at the time a decision was made, that would have been expected to accomplish the desired result in a manner consistent with law, regulation, reliability, safety, environmental protection, economy, and expedition.

1.11 **“Qualifying Facility” or “QF”** means a generating facility which meets the requirements for QF status under the Public Utility Regulatory Policies Act of 1978 (“PURPA”) and part 292 of the Federal Energy Regulatory Commission's Regulations (18 C.F.R. Part 292), and which has obtained certification of its QF status. Certification of QF status is not required if the Facility has a power production capacity of 1 MW or less and, therefore, the Facility is a QF pursuant to 18 CFR 292.203(d).

1.12 **“Term”** will have the meaning provided in Section 4 of this Agreement.

1.13 **“WECC”** means the Western Electricity Coordinating Council or its successor.

2. **COMPLETE AGREEMENT.**

This Agreement, including all Exhibits to this Agreement, constitutes the entire understanding of the Parties and supersedes and replaces any prior agreements or understandings, whether written or oral, between said Parties.

3. **REPRESENTATIONS.**

3.1 Seller represents that: (a) it has investigated and determined that it is capable of performing and will perform the obligations set forth in this Agreement and has not relied upon the advice, experience or expertise of Avista in connection with the transactions contemplated by this Agreement; (b) all professionals and experts including, but not limited to, engineers, attorneys or accountants, that Seller may have consulted or relied on in undertaking the transactions contemplated by this Agreement have been solely those of Seller; (c) Seller will comply with all applicable laws and regulations, and obtain and comply with applicable licenses, permits and approvals in the design, construction, operation and maintenance of the Facility; and (d) the Facility is, and during the Term will remain, a Qualifying Facility as that term is used in 18 C.F.R Part 292. Project Owner's failure to maintain Qualifying Facility status will be a material breach of this Agreement. Avista reserves the right to review the Seller's Qualifying

Facility status and associated support and compliance documents at any time upon reasonable notice to Seller during the Term.

3.2 Seller further represents that the undersigned is authorized to execute this Agreement. Seller further represents that it has the right to occupy the Premises and that it will maintain all necessary licenses, permits or other permissions from governmental authorities having jurisdiction over the premises or the Facility. Upon Avista's request, Seller shall submit to Avista evidence that Seller has all necessary license, permits and other permissions necessary to occupy the Premises and operate the Project and that Seller is in substantial compliance with said license, permits and other permissions. If, at any time during the Term of this Agreement, Seller does not maintain the right to occupy the Premises (defined below) or fails to maintain all necessary licenses, permits or other permissions from governmental authorities having jurisdiction over the Premises or the Facility, Seller shall promptly provide notice of such change of circumstances to Avista and Avista may terminate this Agreement after Seller has had a reasonable opportunity to cure any such failure; provided, however, that any such cure period shall in no event be more than 20 days. Upon request by Avista, Seller shall deliver to Avista copies of any licenses or permits required for operation of the Facility.

3.3 Avista makes no warranties, expressed or implied, regarding any aspect of the Facility, Owner's design, specifications, equipment, or facilities, including, but not limited to, safety, durability, reliability, strength, capacity, adequacy, or economic feasibility, and any review, acceptance, or failure to review Seller's design, specifications, equipment, or Facility shall not be an endorsement or a confirmation by Avista. Avista assumes no responsibility or obligation with regard to any NERC and/or WECC reliability standard associated with the Facility or the delivery of electric power from the Facility to Avista.

4. TERM OF AGREEMENT.

4.1 The effective date of this Agreement shall be April 5, 2013 and will continue, unless otherwise terminated as provided herein, through December 31, 2016 ("Term"); provided, however, that this Agreement shall terminate upon Commission rejection of this Agreement.

4.2 All obligations required to be performed by the Parties are preserved regardless of the termination or expiration of this Agreement where so required by terms and conditions of this Agreement until such obligations are satisfied.

5. DESCRIPTION OF FACILITY AND PREMISES.

The Facility and Premises are specifically described as follows: The Deep Creek hydroelectric project, FERC project number 5991, is located in the South ¼ of the Northwest ¼ of Section 3, Township 39N, Range 40EWM near the City of Northport, Stevens County, Washington with a total nameplate capacity of 411 kilowatts.

6. SALE OF NET ELECTRIC OUTPUT.

6.1 For the Term of the Agreement, Seller shall sell and deliver to Avista at the Point of Delivery all Net Electric Output not to exceed 5,000 kilowatt-hours in any hour and Avista shall purchase and pay for such Net Electric Output that is delivered to Avista in accordance with this Agreement.

6.2 For the Term, Avista shall, except as provided in Section 8.3 of this Agreement, pay for Net Electric Output, not to exceed 5,000 kilowatt-hours in any hour, delivered to Avista's electrical system at the Point of Delivery at the rate as specified in Exhibit 2.

7. INTERCONNECTION AGREEMENT.

Seller shall maintain in effect during the Term of this Agreement, any necessary Interconnection Agreements to implement this Agreement.

8. OPERATION OF FACILITY.

8.1 Upon Avista's request, Seller shall provide Avista with written documentation proving, to the reasonable satisfaction of Avista that the Facility continues to have Qualifying Facility status.

8.2 Seller shall construct, operate, and maintain the Facility and all equipment needed to generate and deliver Net Electric Output in accordance with applicable laws and regulations and in accordance with Prudent Utility Practices. Seller shall construct, operate, and maintain said Facility and equipment at its own risk and expense.

8.3 Avista may require Seller to curtail, interrupt or reduce deliveries of Net Electric Output if Avista determines in its sole judgment that curtailment, interruption or reduction is necessary due to a Force Majeure event, for Avista's compliance with any applicable law or regulatory requirement, or to protect persons or property from injury or damage.

9. PAYMENTS.

9.1 Avista shall prepare and submit to Seller monthly statements during the Term summarizing the Net Electric Output delivered to Avista during the previous month. Payments owed by Avista will be paid to Seller no later than the 20th day of the month following the end of the monthly billing period. If the due date falls on a non-business day, then the payment will be due on the next business day.

9.2 If Seller is obligated to make any payment to Avista under the terms of this Agreement, Avista shall prepare an invoice for such payment. Seller shall pay Avista within 30

days from the date of invoice. If the due date falls on a non-business day, then the payment will be due on the next business day.

9.3 Any payments by Avista to the Seller or by the Seller to Avista, if not paid in full within the time frame set forth in Sections 9.1 and 9.2 will be late. Despite the remedies for default pursuant to Section 15, the late-paying Party will be assessed a charge for late payment equal to the lesser of one and one-half percent (1.5%) per whole or partial month, or the maximum rate allowed by the laws of the State of Washington per whole or partial month multiplied by the undisputed overdue amount. The Party disputing a statement shall provide to the other Party a written notice of dispute and a statement of the reasons for such dispute within five business days of receipt of any disputed invoice, which shall be resolved pursuant to Section 24. Each Party shall have the right to offset any amounts due it against any payments due from the other Party.

10. METERING.

10.1 Avista shall own, install, and maintain a kilowatt-hour meter or meters at the Facility in accordance with the terms of the Interconnection Agreement. Sales of Net Electric Output in any month will be determined by a monthly meter reading, as adjusted for losses, taken in that month, net of the reading from the previous month (the "Power Sales Meter Reading"). There will be no pro-rations or date adjustments made to the Power Sales Meter Readings.

10.2 All meters installed for Power Sales Meter Reading will be tested and inspected in accordance with Avista's meter testing program as filed with the Commission. If requested to do so by Project Owner, Avista shall provide copies of applicable test and calibration records and calculations. Avista will test any of such meters as may reasonably be requested by Seller and a representative of Seller may be present at all times when the meters are tested. If such tests are requested by Seller, Seller shall pay all reasonable costs for such tests unless any of the meters are found to be substantially inaccurate, in which case Avista shall pay for such tests.

10.3 For errors in Power Sales Meter Reading or related billing discovered within 12 months of the error, Avista shall adjust the affected payment(s) as promptly as practicable, but in no event later than sixty (60) days after the metering error is discovered. Avista shall permit representatives of Seller to inspect Avista's records relating to any Power Sales under this Agreement, annually or upon a billing adjustment pursuant to this Section 10.3, upon reasonable notice and during normal business hours at Avista's corporate headquarters.

11. FORCE MAJEURE.

11.1 Except for the obligation to pay when due, neither Party shall be liable to the other Party, or be considered to be in breach of or default under this Agreement, for delay in performance due to a cause or condition beyond such Party's reasonable control which despite the exercise of reasonable due diligence, such Party is unable to prevent or overcome ("Force Majeure"), including but not limited to:

(a) fire, earthquake, volcanic activity; court order and act of civil, military or governmental authority; strike, lockout and other labor dispute; riot, insurrection, terroristic act, sabotage or war; unanticipated electrical disturbance originating in or transmitted through such Party's electric system, the Facility or any electric system with which such Party's system is interconnected; or

(b) an action taken by such Party which is, in the sole judgment of such Party, necessary or prudent to protect the operation, performance, integrity, reliability or stability of such Party's electric system, the Facility or any electric system with which such Party's electric system is interconnected, whether such actions occur automatically or manually.

11.2 If a Force Majeure event occurs, the time for performance will be extended by a period of time reasonably necessary to overcome such delay. In no event shall Avista be required to pay for Net Electric Output which is not delivered.

11.3 Nothing contained in this Section will require any Party to settle any strike, lockout, or other labor dispute.

11.4 If a Force Majeure event occurs, the delayed Party shall provide the other Party notice by telephone or email as soon as reasonably practicable, and written notice within 14 days after the beginning of the Force Majeure event. Such notice must include the particulars of the occurrence. The suspension of performance must be of no greater scope and no longer duration than is required by the Force Majeure and the delayed Party shall use its reasonable best efforts to remedy its inability to perform.

12. INSURANCE.

12.1 Seller, at his own cost, shall obtain and maintain the following insurance in force over the Term of this Agreement and shall provide assurance and evidence of such coverage to Avista. Avista's acceptance of the evidence of coverage is not intended to, and will not reduce, limit, affect, or modify the obligations and liabilities of Seller under the provisions of this Agreement. Seller must provide notice of cancellation or notice of change in policy terms at least sixty (60) days prior to any change or termination of the policies.

12.1.1 General Liability. Seller shall carry and maintain comprehensive general liability insurance, which may include umbrella insurance, with a combined coverage of not less than \$2,000,000 per occurrence, including coverage of bodily injury, property damage liability, and contractual liability specifically related to the indemnity provisions of this Agreement. The deductible will not exceed the Project Owner's financial ability to cover claims and will not be greater than prevailing practices for similar operations in the State of Washington.

12.1.2 Qualifying Insurance. The insurance coverage required by this Section 12 must be obtained from an insurance carrier licensed to conduct business in the State of Washington, must be acceptable to Avista, such acceptance not to be unreasonably withheld, but

in no event have an A.M. Best Rating of A-, or Class VIII or better. The policies required under this Agreement must include provisions or endorsements naming Avista as additional insured.

13. ASSIGNMENT.

Neither Party shall voluntarily assign its rights nor delegate its duties under this Agreement, or any part of such rights or duties, without the written consent of the other Party, which consent will not unreasonably be withheld. This Agreement will inure to and bind the Parties' successors, heirs, and assigns.

14. NO UNSPECIFIED THIRD PARTY BENEFICIARIES.

Except as specifically provided in this Agreement, there are no third-party beneficiaries of this Agreement. Nothing contained in this Agreement is intended to confer any right or interest on anyone other than the Parties, and their respective successors, heirs and assigns permitted under Section 13.

15. DEFAULT AND TERMINATION.

15.1 In the event that either Party breaches or otherwise fails to perform the terms set forth in this Agreement (each, an "Event of Default" or "Event"), the following will apply:

15.1.1 The non-defaulting Party shall give written notice to the defaulting Party of the Event of Default in accordance with this Agreement.

15.1.2 If, after 30 calendar days following the Event of Default, the defaulting Party has not cured such Event, the non-defaulting Party may, at its option, terminate this Agreement. Whether or not the non-defaulting Party elects to terminate this Agreement, the non-defaulting Party may, in addition to other remedies provided for in this Agreement, pursue such remedies as are available at law or in equity.

15.2 In addition to any breach of or failure to perform the terms and conditions of this Agreement, Seller shall also be in default if it:

15.2.1 Becomes insolvent (e.g., is unable to meet its obligations as they become due or its liabilities exceed its assets);

15.2.2 Makes a general assignment of substantially all of its assets for the benefit of its creditors, files a petition for bankruptcy or reorganization or seeks other relief under any applicable insolvency laws;

15.2.3 Has filed against it a petition for bankruptcy, reorganization or other relief under any applicable insolvency laws and such petition is not dismissed within 60 days after it is filed; or

15.2.4 Breaches or otherwise fails to perform any obligation under the Interconnection Agreement or if the Interconnection Agreement is suspended or terminated for any reason.

15.3 Any right or remedy afforded to either Party under any provision of this Agreement on account of the breach or default by the other Party is in addition to, and not in lieu of, all other rights or remedies afforded to such Party under any other provisions of this Agreement, under the Interconnection Agreement, by law or otherwise on account of the breach or default.

16. GOVERNMENTAL AUTHORITY.

This Agreement is subject to the rules, regulations, orders and other requirements, now or in effect in the future, of all governmental authorities having jurisdiction over the Facility, this Agreement, the Parties, or either of them. All laws, ordinances, rules, regulations, orders and other requirements, now or in effect in the future, of governmental authorities that are required to be incorporated in agreements of this character are by this reference incorporated in this Agreement.

17. SEVERAL OBLIGATIONS.

Except where specifically stated in this Agreement to be otherwise, the duties, obligations and liabilities of the Parties are intended to be several and not joint or collective and each Party shall be individually liable for its own obligations under this Agreement. This Agreement will not be interpreted or construed to create an employment relationship, association, joint venture, or partnership between the Parties or to impose any partnership obligations or liability upon either Party. Further, neither Party shall have any rights, power, or authority to enter into any agreement or undertaking for or on behalf of, to act as to be an agent or representative of, or to otherwise bind the other Party.

18. INDEMNIFICATION.

18.1 Each Party shall defend and indemnify the other Party, its directors, officers, employees, and agents (as the "Indemnitee") from and against all claims, demands, causes of action, judgments, liabilities and associated costs and expenses (including reasonable attorney's fees) to the extent arising from or attributable to the acts or omissions of that Party (as the "Indemnitor"), including, but not limited to damage to tangible property and bodily injury or death suffered by any person (including employees of Seller or Avista or the public); provided that:

- (a) No Indemnitee shall be indemnified for any loss, liability, injury, or damage resulting from its sole negligence, gross negligence, fraud or willful misconduct; and
- (b) The Indemnitor shall be entitled, at its option, to assume and control the defense and any settlement of such suit.

18.2 SELLER AND AVISTA SPECIFICALLY WARRANT THAT THE TERMS AND CONDITIONS OF THE FOREGOING INDEMNITY PROVISIONS ARE THE SUBJECT OF MUTUAL NEGOTIATION BY THE PARTIES, AND ARE SPECIFICALLY AND EXPRESSLY AGREED TO IN CONSIDERATION OF THE MUTUAL BENEFITS DERIVED UNDER THE TERMS OF THE AGREEMENT.

18.3 EXCEPT AS EXPRESSLY PROVIDED FOR IN THIS AGREEMENT, NEITHER PARTY SHALL BE LIABLE UNDER ANY PROVISION OF THIS AGREEMENT FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES, INCLUDING BUT NOT LIMITED TO LOSS OF PROFIT, SAVINGS OR REVENUE, LOSS OF THE USE OF EQUIPMENT, COST OF CAPITAL, OR COST OF TEMPORARY EQUIPMENT OR SERVICES, WHETHER BASED IN WHOLE OR IN PART IN CONTRACT, IN TORT, INCLUDING NEGLIGENCE, STRICT LIABILITY, OR ANY OTHER THEORY OF LIABILITY, PROVIDED, HOWEVER, THAT THE FOREGOING WILL NOT IN ANY EVENT LIMIT THE LIABILITY OF EITHER PARTY TO THE OTHER FOR OR WITH RESPECT TO THIRD-PARTY CLAIMS.

19. IMPLEMENTATION.

Each Party shall take such action (including, but not limited to, the execution, acknowledgement and delivery of documents) as may reasonably be requested by the other Party for the implementation or continuing performance of this Agreement.

20. NON-WAIVER.

The failure of either Party to insist upon or enforce strict performance by the other Party of any provision of this Agreement or to exercise any right under this Agreement will not be construed as a waiver or relinquishment to any extent of such Party's right to assert or rely upon any such provision or right in that or any other instance; rather, the same will be and remain in full force and effect.

21. AMENDMENT.

No change, amendment or modification of any provision of this Agreement will be valid unless set forth in a written amendment to this Agreement signed by both Parties.

22. CHOICE OF LAWS AND VENUE.

This Agreement will be construed and interpreted in accordance with the laws of the State of Washington without regard to conflict of laws principles. Any action at law or in equity to enforce the terms and conditions of this Agreement shall be brought before the Commission or the State court in Spokane County, Washington as appropriate.

23. COMPLIANCE WITH LAWS.

Seller shall at all times comply with all applicable laws and regulations of governmental agencies having jurisdiction over the Facility and the operation of the Facility. Avista assumes no responsibility or obligation with regard to any North American Electric Reliability Corporation ("NERC") or Western Electricity Coordinating Council reliability standards associated with the Facility or the delivery of electric power from the Facility to Avista.

24. DISPUTE RESOLUTION.

Each Party shall strive to resolve all differences during the Term of the Agreement through meetings and discussions. If a dispute cannot be resolved within a reasonable time, not to exceed 30 days, Avista shall escalate the unresolved dispute to a senior officer. If the Project Owner and senior officer are not able to resolve the dispute within 10 business days of escalation then the Parties agree to (i) arbitrate or mediate the dispute or (ii) seek resolution of the disputed issues before the Commission as appropriate.

25. NOTICES.

All written notices required by this Agreement should be mailed or delivered as follows:

to Avista: Director, Power Supply
 Avista Corporation
 1411 E. Mission Ave., MSC-7
 Spokane, WA 99202

to Seller: Deep Creek Energy LLC
 Attention: Brian Gogarty
 806 B Gillette Road
 Colville, WA 99114

Changes in persons or addresses for submittal or written notices by a Party to this Agreement must be made in writing to the other Party and delivered in accordance with this Section 25. Any verbal notice which affects the payments to be made under this Agreement must be confirmed in writing as promptly as practicable after the verbal notice is given.

26. JOINTLY NEGOTIATED AND PREPARED.

This Agreement was negotiated and prepared by both Parties with the advice and participation of counsel. The Parties have agreed to the wording of this Agreement and none of the provisions hereof shall be construed against one Party on the ground that such Party is the author of this Agreement or any part hereof.

The Section headings in this Agreement are for convenience only and shall not be considered part of or used in the interpretation of this Agreement.

28. SEVERABILITY.

If any of the terms of this Agreement are finally held or determined to be invalid, illegal or void, all other terms of the Agreement will remain in effect; *provided, however*, that the Parties shall enter into negotiations in good faith to restore insofar as practicable the benefits to each Party that were affected by the ruling, and the remainder of this Agreement shall remain in full force and effect.

29. USE OF FACILITIES.

Seller is the sole user of certain facilities installed, owned, operated and maintained by Avista at the Deep Creek Hydroelectric project. Seller shall pay a monthly sole use-of-facilities charge, as shown in Exhibit 3, for the use of such facilities.

30. EXHIBITS.

This Agreement includes the following exhibits, which are attached and incorporated:

- Exhibit 1 – Interconnection Agreement dated 4/5/13
- Exhibit 2 – Power Purchase Rate
- Exhibit 3 – Direct Assignment and Low-Voltage Distribution Charges

This Agreement has been executed by each Party's authorized representative on the date(s) set forth below. Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the first date set forth above:

Deep Creek Energy LLC

AVISTA CORPORATION

By: Brian Gogarty

By: Scott Kinney

Printed Name: Brian Gogarty

Printed Name: Scott Kinney

Title: Owner

Title: Director, Power Supply

DATE: 4-5-13

Date 4-5-13

Exhibit 1

Interconnection Agreement

Exhibit 2

**Power Purchase Rate
Effective January 1, 2013**

<u>Period</u>	<u>Contract Rate</u> \$/MWh
Jan 2013 - Feb 2013	\$50.81
Mar 2013 - Jun 2013	\$39.52
Jul 2013 - Dec 2013	\$50.81
Jan 2014 - Feb 2014	\$51.57
Mar 2014 - Jun 2014	\$40.11
Jul 2014 - Dec 2014	\$51.57
Jan 2015 - Feb 2015	\$52.35
Mar 2015 - Jun 2015	\$40.71
Jul 2015 - Dec 2015	\$52.35
Jan 2016 - Feb 2016	\$53.14
Mar 2016 - Jun 2016	\$41.33
Jul 2016 - Dec 2016	\$53.14

Exhibit 3

**DIRECT ASSIGNMENT AND LOW-VOLTAGE
DISTRIBUTION CHARGES
For
DEEP CREEK HYDRO**

Effective Date: May 1, 2013

Annual Cost Ratio (ACR) = 15.766%

O&M Annual Cost Ratio (O&M ACR) = 4.948%

A. Calculation of Sole Use of Facilities Charges

Sole Use Investment = \$736.10

Sole Use Charges = \$736.10 x 15.766% = \$116.05/year
= \$9.67/month

B. Calculation of O&M Charges

Direct Assigned Investment = \$9,851.80

Sole Use Charges = \$9,851.80 x 4.948% = \$487.47/year
= \$40.62/month

Total Sole Use and O&M = \$50.29/month