

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-07-_____

EXHIBIT NO. _____ (RLM-2)

RONALD L. MCKENZIE

REPRESENTING AVISTA CORPORATION

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

Exhibit No. _____ (RLM-2)



January 19, 2007

Ms. Carole J. Washburn, Executive Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

Re: Docket No. UE-011595, Monthly Power Cost Deferral Report, December 2006

Dear Ms. Washburn:

Enclosed are an original and five copies of Avista Corporation's Power Cost Deferral Report for the month of December 2006. The report includes the monthly energy recovery mechanism (ERM) accounting journal together with backup workpapers. In December no deferral entry was made and net deferrals for 2006, excluding carrying costs, were zero at the end of December. In December the deadband balance decreased from \$2,753,075 in the rebate direction at the beginning of the month to \$2,601,664 in the rebate direction at the end of the month.

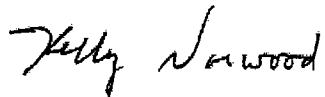
Actual power supply expense was close to the authorized level. Hydro generation was 70 aMW above the authorized level. The average market purchase price was \$55.332/MWh compared to an authorized rate of \$65.87/MWh. The average market sales price was \$56.71/MWh compared to an authorized sales price of \$64.62/MWh.

Coyote Springs 2 generated 6 aMW above the authorized level. Other gas-fired resources generated 1 aMW above the authorized level due to economics. Colstrip and Kettle Falls generated 9 aMW below and 1 aMW above the authorized levels, respectively. Net transmission expense (transmission expense less transmission revenue) was above the authorized level. Thermal and natural gas fuel expense was above the authorized level. Washington retail sales were 38 aMW above the authorized level.

Enclosed is a forward long-term power contract that contains confidential, market-sensitive information. Avista and the counter-party to the agreement might be directly affected by disclosure of the confidential information. The first page of the contract and the pages containing confidential information have been marked with the designation "confidential per WAC 480-07-160." The unredacted version is being

filed under seal. Six copies of the unredacted version are being submitted in sealed envelopes, copied on yellow paper and identified as "Confidential Attachment A." Six copies of the redacted version are also being submitted. 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 cursive script that reads "Kelly Norwood".

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 DECEMBER 2006

Avista Corporation Journal Entry

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

Effective Date: 200612
 Last Saved by: Lori Hamilton
 Submitted by: Lori Hamilton
 Last Saved: 01/05/2007 3:56 PM

Seq.	Co.#	FERC	Seq.	Jur.	S.L	Debit	Credit	Comment
10	001	557290 - WA ERM AMORTIZATION	ED	WA	DL	3,039,955.00		WA ERM surcharge amortization
20	001	182350 - REGULATORY ASSET ERM APPROVED FOR	ED	WA	DL		3,039,955.00	WA ERM authorized for recovery
30	001	557280 - DEFERRED POWER SUPPLY EXPENSE	ED	WA	DL	0.00		WA ERM current month deferral
40	001	186280 - REGULATORY ASSET ERM DEFERRED	ED	WA	DL		0.00	WA ERM current year deferral
50	001	182350 - REGULATORY ASSET ERM APPROVED FOR	ED	WA	DL	311,624.00		Accrue interest on deferral balance authorized for recovery
60	001	186280 - REGULATORY ASSET ERM DEFERRED	ED	WA	DL		204.00	Accrue interest on current year deferral balance
70	001	186290 - REGULATORY ASSET ERM DEFERRED LAST	ED	WA	DL	0.00		Accrue interest on previous year deferral balance
80	001	419600 - INTEREST ON ENERGY DEFERRALS	ED	WA	DL		311,420.00	Non-utility interest income
90	001	410100 - PRV DFIT DR	ED	WA	DL		1,063,984.00	DFIT entry for power supply deferral and surcharge amortization
100	001	410200 - DFIT EXP-NONOPER (DR)	ZZ	ZZ	DL	108,997.00		Non -op DFIT entry for interest income
110	001	283280 - ADFIT ERM	ED	WA	DL	954,987.00		ADFIT WA ERM current and prior years
120	001	186010 - REGULATORY ASSET ERM YTD COMPANY	ED	WA	DL	151,411.00		Track YTD company band accumulation
130	001	186020 - REGULATORY ASSET ERM YTD CONTRA	ED	WA	DL		151,411.00	Contra account for YTD company band accumulation
TOTALS:						4,566,974.00	4,566,974.00	

Avista Corporation Journal Entry

Journal: 481-WA ERM

Effective Date: 200612

Team: Resource Accounting

Last Saved by: Lori Hamilton

Last Saved: 01/05/2007 3:56 PM

Type: C

Submitted by: Lori Hamilton

Category: DJ

Explanation:

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

Lori Hamilton

Prepared by Lori Hamilton

1/8/07
Date

Jami Gudge

Reviewed by

1/8/07
Date

Approved for Entry

Corporate Accounting use Only

Date

Balance Type	Actual	Currency Type	Entered		
		Factor	Units		
Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200601	USD	4,138,618.00		0.00	
200602	USD	0.00		0.00	
200603	USD	0.00		0.00	
200604	USD	0.00		0.00	
200605	USD	-1,831,779.00		-1,831,779.00	
200606	USD	-2,956,443.00		-4,788,222.00	
200607	USD	3,005,589.00		-1,782,633.00	
200608	USD	1,715,203.00		-67,430.00	
200609	USD	-204.00		-67,634.00	
200610	USD	-204.00		-67,838.00	
200611	USD	-204.00		-68,042.00	
200612	USD	-204.00		-68,246.00	

Journal Details

Summary Balances

ERM Deferral Balance (Current Year - 2006)

Account 186280.ED.WA

	<u>Amount</u>	<u>Journal ID</u>
Balance 11/30/06	-\$68,042.00	
Deferral	0.00	481 - WA ERM
Interest	-204.00	481 - WA ERM
Balance 12/31/06	<u><u>-\$68,246.00</u></u>	

Year to date deferrals	\$0.00
Year to date interest	-68,246.00
Balance in account	<u><u>-\$68,246.00</u></u>

Balance Type	Actual	Currency Type	Entered	Factor	Units
Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200601	USD	4,156,776.00		4,156,776.00	
200602	USD	18,158.00		4,174,934.00	
200603	USD	18,158.00		4,193,092.00	
200604	USD	18,158.00		4,211,250.00	
200605	USD	18,158.00		4,229,408.00	
200606	USD	4,229,408.00		0.00	
200607	USD	0.00		0.00	
200608	USD	0.00		0.00	
200609	USD	0.00		0.00	
200610	USD	0.00		0.00	
200611	USD	0.00		0.00	
200612	USD	0.00		0.00	

Journal Details

Summary Balances

ERM Deferral Balance (Prior year - 2005)
Account 186290.ED.WA
 Balance 11/30/06
 No current month activity
 Balance 12/31/06

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

Detail Balances (AVA CORP) - 001 182350.ED.WA.DL

Balance Type **Actual**

Currency Type **Entered**
 Factor **Units**



Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200601	USD	-2,464,349.00		89,587,845.65	
200602	USD	-2,426,654.00		87,161,191.65	
200603	USD	-2,360,123.00		84,801,068.65	
200604	USD	-2,050,571.00		82,750,497.65	
200605	USD	-1,832,184.00		80,918,313.65	
200606	USD	2,394,441.00		83,312,754.65	
200607	USD	-1,921,938.00		81,390,816.65	
200608	USD	-2,154,096.00		79,236,720.65	
200609	USD	-2,214,765.00		77,021,955.65	
200610	USD	-1,986,644.00		75,035,311.65	
200611	USD	-2,079,746.00		72,955,565.65	
200612	USD	-2,728,331.00		70,227,234.65	

Journal Details

Summary Balances

Recoverable Deferral Balance

Account 182350.ED.WA

Balance 11/30/06
 Amortization
 Interest
 Balance 12/31/06

<u>Amount</u>	<u>Journal ID</u>
\$72,955,565.65	
-3,039,955.00	481 - WA ERM
311,624.00	481 - WA ERM
<u>\$70,227,234.65</u>	

Detail Balances (AVA CORP) - DD1 182360.ED.WA.DL

Balance Type **Actual**

Currency Type **Entered**

Factor **Units**



Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200601	USD	-27,868.00		314,733.00	
200602	USD	-27,990.00		286,743.00	
200603	USD	-28,113.00		258,630.00	
200604	USD	-28,237.00		230,393.00	
200605	USD	-28,360.00		202,033.00	
200606	USD	-28,485.00		173,548.00	
200607	USD	-28,603.00		144,945.00	
200608	USD	-28,731.00		116,214.00	
200609	USD	-28,859.00		87,355.00	
200610	USD	-28,988.00		58,367.00	
200611	USD	-29,118.00		29,249.00	
200612	USD	-29,249.00		0.00	

Journal Details

Summary Balances

Contract Buyout Deferral Balance

Account 182360.ED.WA

Balance 11/30/06

Amortization*

Interest

Balance 12/31/06

Amount

\$29,249.00

-29,313.00 485 - ECB AMORT

64.00 485 - ECB AMORT

\$0.00

Journal ID

*Amount grossed-up from 90% to 100% for ERM deferral calculations

\$32,570

Detail Balances (AVA CORP) - 001-186010.ED.WA.DL

Balance Type **Actual** Currency Type **Entered**
 Factor **Units**

Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200601	USD	-11,902,131.00		-2,902,131.00	
200602	USD	432,476.00		-2,469,655.00	
200603	USD	-2,743,056.00		-5,212,711.00	
200604	USD	-3,172,065.00		-8,384,776.00	
200605	USD	-615,224.00		-9,000,000.00	
200606	USD	1,805,726.00		-7,194,274.00	
200607	USD	1,466,054.00		-5,728,220.00	
200608	USD	3,984,073.00		-1,744,147.00	
200609	USD	-1,662,552.00		-3,406,699.00	
200610	USD	1,476,518.00		-1,930,181.00	
200611	USD	-822,894.00		-2,753,075.00	
200612	USD	151,411.00		-2,601,664.00	

Journal Details

Summary Balances

ERM Deadband plus Amounts Absorbed

Account 186010.ED.WA

	Amount	Journal ID
Balance 11/30/06	-\$2,753,075.00	
Current month entry	151,411.00	481 - WA ERM
Balance 12/31/06	<u>-\$2,601,664.00</u>	

	Total	Absorbed	Deferred
First \$4,000,000 at 100%	-\$2,601,664.00	-\$2,601,664.00	\$0.00
\$4,000,000 to \$10,000,000 at 50%	0.00	0.00	0.00
Over \$10,000,000 at 10%	0.00	0.00	0.00
Total	<u>-\$2,601,664.00</u>	<u>-\$2,601,664.00</u>	<u>\$0.00</u>

Period	Currency	Balance Type	Actual	Currency Type	Entered			
					Factor	Units		
					PTD	PTD Converted	YTD	YTD Converted
200601	USD		11,902,131.00				2,902,131.00	
200602	USD		432,476.00				2,469,655.00	
200603	USD		2,743,056.00				5,212,711.00	
200604	USD		3,172,065.00				8,384,776.00	
200605	USD		615,224.00				9,000,000.00	
200606	USD		-1,805,726.00				7,194,274.00	
200607	USD		-1,466,054.00				5,728,220.00	
200608	USD		3,984,073.00				1,744,147.00	
200609	USD		1,662,552.00				3,406,699.00	
200610	USD		-1,476,518.00				1,930,181.00	
200611	USD		822,894.00				2,753,075.00	
200612	USD		-151,411.00				2,601,664.00	

Journal Details

Summary Balances

ERM Deadband Contra Account

Account 186020.ED.WA

Balance 11/30/06

Current month entry

Balance 12/31/06

Amount	Journal ID
\$2,753,075.00	
-151,411.00	481 - WA ERM
<u>\$2,601,664.00</u>	

Balance Type **Actual**

Currency Type **Entered**

Factor **Units**



Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200601	USD	856,168.00		-32,810,616.00	
200602	USD	842,974.00		-31,967,642.00	
200603	USD	819,688.00		-31,147,954.00	
200604	USD	711,345.00		-30,436,609.00	
200605	USD	1,276,032.00		-29,160,577.00	
200606	USD	1,676,991.00		-27,483,586.00	
200607	USD	-379,277.00		-27,862,863.00	
200608	USD	153,613.00		-27,709,250.00	
200609	USD	775,239.00		-26,934,011.00	
200610	USD	695,396.00		-26,238,615.00	
200611	USD	727,982.00		-25,510,633.00	
200612	USD	954,987.00		-24,555,646.00	

Journal Details

Summary Balances

DFIT Associated with ERM Deferrals
Account 283280.ED.WA

Account 186280.ED.WA balance	-\$68,246.00
Account 186290.ED.WA balance	0.00
Account 182350.ED.WA balance	70,227,234.65
Total	<u>\$70,158,988.65</u>
Federal income tax rate	-35%
Deferred FIT related to deferrals	<u>-\$24,555,646</u>
Rounding	0
Balance in account	<u><u>-\$24,555,646</u></u>

Detail Balances (AVA CORP) - DD1 283360 ED.WA.DL

Balance Type **Actual** Currency Type **Entered**
 Factor **Units**

Period	Currency	PTD	PTD Converted	YTD	YTD Converted
200601	USD	9,753.00		-110,157.00	
200602	USD	9,796.00		-100,361.00	
200603	USD	9,839.00		-90,522.00	
200604	USD	9,882.00		-80,640.00	
200605	USD	9,926.00		-70,714.00	
200606	USD	9,969.00		-60,745.00	
200607	USD	10,011.00		-50,734.00	
200608	USD	10,056.00		-40,678.00	
200609	USD	10,101.00		-30,577.00	
200610	USD	10,146.00		-20,431.00	
200611	USD	10,192.00		-10,239.00	
200612	USD	10,239.00		0.00	

Journal Details

Summary Balances

**DFIT Associated with Contract Buyout Deferral
 Account 283360.ED.WA**

Account 182360.ED.WA balance	\$0.00
Federal income tax rate	-35%
Deferred FIT related to contract buyout deferral	\$0
Rounding	0
Balance in account	<u>\$0</u>

Changes Semiannually on January 1 and July 1 Beginning 7/1/02						
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 12/31/05 is 8.10% The monthly rate is:			0.00675 Before Tax 0.0043875 After Tax 0.35 Tax rate	Actual cost of debt at 6/30/06 is 8.253% The monthly rate is: 0.00687750 Before Tax 0.0044704 After Tax 0.35 Tax rate		
Account 182350			2006 Interest			
12-31-2005	GL Balance including interest	92,052,195		Jan-06	DFIT Expense	ADFIT
Jan-06	Surcharge Amortization	(2,861,950)		Amortization	(1,001,683)	Operating 1,001,683
Jan-06	Interest		397,601	Interest	139,160	Nonoperating (139,160)
01-31-2006	Balance before interest	89,190,245			(862,523)	Total 862,523
				Feb-06	DFIT Expense	ADFIT
Feb-06	Surcharge Amortization	(2,811,808)		Amortization	(984,133)	Operating 984,133
Feb-06	Interest		385,154	Interest	134,804	Nonoperating (134,804)
02-28-2006	Balance before interest	86,378,437			(849,329)	Total 849,329
				Mar-06	DFIT Expense	ADFIT
Mar-06	Surcharge Amortization	(2,733,113)		Amortization	(956,590)	Operating 956,590
Mar-06	Interest		372,990	Interest	130,547	Nonoperating (130,547)
03-31-2006	Balance before interest	83,645,324			(826,043)	Total 826,043
				Apr-06	DFIT Expense	ADFIT
Apr-06	Surcharge Amortization	(2,412,273)		Amortization	(844,296)	Operating 844,296
Apr-06	Interest		361,702	Interest	126,596	Nonoperating (126,596)
04-30-2006	Balance before interest	81,233,051			(717,700)	Total 717,700
				May-06	DFIT Expense	ADFIT
May-06	Surcharge Amortization	(2,183,803)		Amortization	(764,331)	Operating 764,331
May-06	Interest		351,619	Interest	123,067	Nonoperating (123,067)
05-31-2006	Balance before interest	79,049,248			(641,264)	Total 641,264
				Jun-06	DFIT Expense	ADFIT
Jun-06	Surcharge Amortization	(2,195,138)		Amortization	(768,298)	Operating 768,298
Jun-06	Interest		342,013	Interest	119,705	Nonoperating (119,705)
06-30-2006	Balance before interest	76,854,110			(648,593)	Total 648,593
06-30-2006	Transfer from 186290	4,247,566				
06-30-2006	GL Balance including interest	83,312,755		Jul-06	DFIT Expense	ADFIT
Jul-06	Surcharge Amortization	(2,289,262)		Amortization	(801,242)	Operating 801,242
Jul-06	Interest		367,324	Interest	128,563	Nonoperating (128,563)
07-31-2006	Balance before interest	81,023,493			(672,679)	Total 672,679
				Aug-06	DFIT Expense	ADFIT
Aug-06	Surcharge Amortization	(2,510,692)		Amortization	(878,742)	Operating 878,742
Aug-06	Interest		356,596	Interest	124,809	Nonoperating (124,809)
08-31-2006	Balance before interest	78,512,801			(753,933)	Total 753,933
				Sep-06	DFIT Expense	ADFIT
Sep-06	Surcharge Amortization	(2,560,026)		Amortization	(896,009)	Operating 896,009
Sep-06	Interest		345,261	Interest	120,841	Nonoperating (120,841)
09-30-2006	Balance before interest	75,952,775			(775,168)	Total 775,168
				Oct-06	DFIT Expense	ADFIT
Oct-06	Surcharge Amortization	(2,320,995)		Amortization	(812,348)	Operating 812,348
Oct-06	Interest		334,351	Interest	117,023	Nonoperating (117,023)
10-31-2006	Balance before interest	73,631,780			(695,325)	Total 695,325
				Nov-06	DFIT Expense	ADFIT
Nov-06	Surcharge Amortization	(2,403,537)		Amortization	(841,238)	Operating 841,238
Nov-06	Interest		323,791	Interest	113,327	Nonoperating (113,327)
11-30-2006	Balance before interest	71,228,243			(727,911)	Total 727,911
				Dec-06	DFIT Expense	ADFIT
Dec-06	Surcharge Amortization	(3,039,955)		Amortization	(1,063,984)	Operating 1,063,984
Dec-06	Interest		311,624	Interest	109,068	Nonoperating (109,068)
12-31-2006	Balance before interest	68,188,288			(954,916)	Total 954,916
				GL Balance	Activity	GL Balance
				11-30-2006	Dec-06	12-31-2006
	Net ERM Balance	70,227,235		72,955,566	(2,728,331)	70,227,235
	ADFIT Balance	(24,579,532)				

Changes Semiannually on January 1 and July 1 Beginning 7/1/02
 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 12/31/05 is 8.10%
 The monthly rate is: 0.00675 Before Tax
 0.0043875 After Tax
 0.35 Tax rate

Actual cost of debt at 6/30/06 is 8.253%
 The monthly rate is: 0.00687750 Before Tax
 0.0044704 After Tax
 0.35 Tax rate

Account 186280		2006 Interest					
12-31-2005	GL Balance including interest	\$4,138,618.00					
01-01-2006	GL Balance	(\$4,138,618.00)	Transfer to 186290				
01-01-2006	GL Balance	0					
				Jan-06	DFIT Expense	ADFIT	
Jan-06	ERM Deferral	0	Deferral	0	Operating	0	
Jan-06	Interest	0	Interest	0	Nonoperating	0	
01-31-2006	Balance before interest	0		0	Total	0	
				Feb-06	DFIT Expense	ADFIT	
Feb-06	ERM Deferral	0	Deferral	0	Operating	0	
Feb-06	Interest	0	Interest	0	Nonoperating	0	
02-28-2006	Balance before interest	0		0	Total	0	
				Mar-06	DFIT Expense	ADFIT	
Mar-06	ERM Deferral	(577,437)	Deferral	(202,103)	Operating	202,103	
Mar-06	Interest	(1,267)	Interest	(443)	Nonoperating	443	
03-31-2006	Balance before interest	(577,437)		(202,546)	Total	202,546	
				Apr-06	DFIT Expense	ADFIT	
Apr-06	ERM Deferral	(1,545,747)	Deferral	(541,011)	Operating	541,011	
Apr-06	Interest	(5,924)	Interest	(2,073)	Nonoperating	2,073	
04-30-2006	Balance before interest	(2,123,184)		(543,084)	Total	543,084	
				May-06	DFIT Expense	ADFIT	
May-06	ERM Deferral	(1,863,923)	Deferral	(652,373)	Operating	652,373	
May-06	Interest	(13,404)	Interest	(4,691)	Nonoperating	4,691	
05-31-2006	Balance before interest	(3,987,107)		(657,064)	Total	657,064	
				Jun-06	DFIT Expense	ADFIT	
Jun-06	ERM Deferral	(761,356)	Deferral	(266,475)	Operating	266,475	
Jun-06	Interest	(19,164)	Interest	(6,707)	Nonoperating	6,707	
06-30-2006	Balance before interest	(4,748,463)		(273,182)	Total	273,182	
06-30-2006	GL Balance including interest	(4,788,222)					
				Jul-06	DFIT Expense	ADFIT	
Jul-06	ERM Deferral	3,020,243	Deferral	1,057,085	Operating	(1,057,085)	
Jul-06	Interest	(14,654)	Interest	(5,129)	Nonoperating	5,129	
07-31-2006	Balance before interest	(1,767,979)		1,051,956	Total	(1,051,956)	
				Aug-06	DFIT Expense	ADFIT	
04-30-2006	Adjustment to deferral balance	(360,862)	Deferral	(126,302)	Operating	126,302	
06-30-2006	Adjustment to YTD interest	(5,859)	Interest	(2,051)	Nonoperating	2,051	
07-31-2006	Restated balance before interest	(2,134,700)					
07-31-2006	Adjustment to July interest	(2,285)	Interest	(800)	Nonoperating	800	
Aug-06	ERM Deferral	2,089,082	Deferral	731,179	Operating	(731,179)	
Aug-06	Interest	(4,873)	Interest	(1,706)	Nonoperating	1,706	
08-31-2006	Balance before interest	(45,618)		600,320	Total	(600,320)	
				Sep-06	DFIT Expense	ADFIT	
Sep-06	ERM Deferral	0	Deferral	0	Operating	0	
Sep-06	Interest	(204)	Interest	(71)	Nonoperating	71	
09-30-2006	Balance before interest	(45,618)		(71)	Total	71	
				Oct-06	DFIT Expense	ADFIT	
Oct-06	ERM Deferral	0	Deferral	0	Operating	0	
Oct-06	Interest	(204)	Interest	(71)	Nonoperating	71	
10-31-2006	Balance before interest	(45,618)		(71)	Total	71	
				Nov-06	DFIT Expense	ADFIT	
Nov-06	ERM Deferral	0	Deferral	0	Operating	0	
Nov-06	Interest	(204)	Interest	(71)	Nonoperating	71	
11-30-2006	Balance before interest	(45,618)		(71)	Total	71	
				Dec-06	DFIT Expense	ADFIT	
Dec-06	ERM Deferral	0	Deferral	0	Operating	0	
Dec-06	Interest	(204)	Interest	(71)	Nonoperating	71	
12-31-2006	Balance before interest	(45,618)		(71)	Total	71	
				GL Balance	Activity	GL Balance	
Net ERM Balance		(68,246)		11-30-06	Dec-06	12-31-06	
				(68,042)	(204)	(68,246)	
ADFIT Balance		23,886					

Changes Semiannually on January 1 and July 1 Beginning 7/1/02							
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 12/31/05 is 8.10%.				Actual cost of debt at 6/30/06 is 8.253%			
The monthly rate is:		0.00675	Before Tax	The monthly rate is:		0.00687750	Before Tax
		0.0043875	After Tax			0.0044704	After Tax
		0.35	Tax rate			0.35	Tax rate
Account 186290		2006 Interest					
12-31-2005	GL Balance including interest	0					
01-31-2006	Transfer from 186280	\$4,138,618					
01-31-2006	GL Balance including interest	\$4,138,618		Jan-06	DFIT Expense		ADFIT
Jan-06	Interest		18,158	Interest	6,355	Nonoperating	(6,355)
01-31-2006	Balance before interest	4,138,618			6,355	Total	(6,355)
				Feb-06	DFIT Expense		ADFIT
Feb-06	Interest		18,158	Interest	6,355	Nonoperating	(6,355)
02-28-2006	Balance before interest	4,138,618			6,355	Total	(6,355)
				Mar-06	DFIT Expense		ADFIT
Mar-06	ERM Transfer to 182350	0		Deferral	0	Operating	0
Mar-06	Interest		18,158	Interest	6,355	Nonoperating	(6,355)
03-31-2006	Balance before interest	4,138,618			6,355	Total	(6,355)
				Apr-06	DFIT Expense		ADFIT
Apr-06	ERM Transfer to 18235	0		Deferral	0	Operating	0
Apr-06	Interest		18,158	Interest	6,355	Nonoperating	(6,355)
04-30-2006	Balance before interest	4,138,618			6,355	Total	(6,355)
				May-06	DFIT Expense		ADFIT
May-06	ERM Transfer to 18235	0		Deferral	0	Operating	0
May-06	Interest		18,158	Interest	6,355	Nonoperating	(6,355)
05-31-2006	Balance before interest	4,138,618			6,355	Total	(6,355)
				Jun-06	DFIT Expense		ADFIT
Jun-06	ERM Transfer to 18235	0		Deferral	0	Operating	0
Jun-06	Interest		18,158	Interest	6,355	Nonoperating	(6,355)
06-30-2006	Balance before interest	4,138,618			6,355	Total	(6,355)
06-30-2006	GL Balance including interest	4,247,566		Jun-06	DFIT Expense		ADFIT
06-30-2006	ERM Transfer to 182350	(4,247,566)		Deferral	0	Operating	0
Jul-06	Interest		0	Interest	0	Nonoperating	0
07-31-2006	Balance before interest	0			0	Total	0
				Aug-06	DFIT Expense		ADFIT
Aug-06	ERM Transfer to 182350			Deferral	0	Operating	0
Aug-06	Interest		0	Interest	0	Nonoperating	0
08-31-2006	Balance before interest	0			0	Total	0
				Sep-06	DFIT Expense		ADFIT
Sep-06	ERM Transfer to 182350	0		Deferral	0	Operating	0
Sep-06	Interest		0	Interest	0	Nonoperating	0
09-30-2006	Balance before interest	0			0	Total	0
				Oct-06	DFIT Expense		ADFIT
Oct-06	ERM Transfer to 18235	0		Deferral	0	Operating	0
Oct-06	Interest		0	Interest	0	Nonoperating	0
10-31-2006	Balance before interest	0			0	Total	0
				Nov-06	DFIT Expense		ADFIT
Nov-06	ERM Transfer to 18235	0		Deferral	0	Operating	0
Nov-06	Interest		0	Interest	0	Nonoperating	0
11-30-2006	Balance before interest	0			0	Total	0
				Dec-06	DFIT Expense		ADFIT
Dec-06	ERM Transfer to 18235	0		Deferral	0	Operating	0
Dec-06	Interest		0	Interest	0	Nonoperating	0
12-31-2006	Balance before interest	0			0	Total	0
	Net ERM Balance	0		GL Balance	Activity	GL Balance	
				11-30-06	Dec-06	12-31-06	
	ADFIT Balance	0		0	0	0	
6/28/06 - WUTC deemed 2005 deferred power costs prudent. Reclass to 182350 after interest calculation.							

Tax Rate	35%	DJ481 LTD	DJ481 LTD	DJ481 LTD			DJ481 CURMO	
	283280	283280	283280	283280			283280	283280
DJ481	BEGINNING	ADFIT	ADFIT	ADFIT			BALANCE	FOR ALL
	BALANCE	182350	186280	186290			COMPONENTS	ACCOUNTS
								BALANCE
06-30-2006	(29,160,577)	(27,672,816)	1,675,878	(1,486,648)			(27,483,586)	1,676,991
07-31-2006	(27,483,586)	(28,486,786)	623,922	0			(27,862,864)	(379,278)
08-31-2006	(27,862,863)	(27,732,852)	23,601	0			(27,709,251)	153,612
09-30-2006	(27,709,250)	(26,957,685)	23,672	0			(26,934,013)	775,237
10-31-2006	(26,934,011)	(26,262,359)	23,743	0			(26,238,616)	695,395
11-30-2006	(26,238,615)	(25,534,448)	23,815	0			(25,510,633)	727,982
12-31-2006	(25,510,633)	(24,579,532)	23,866	0			(24,555,666)	954,967
			ADFIT				Interest	
		410100	410200	283280			182350	186280
							186290	419600
01-31-2006	182350	(1,001,683)	139,160	862,523		397,601	0	18,158
	186280	0	0	0				
	186290	0	6,355	(6,355)				
Total		(1,001,683)	145,515	856,168				
02-28-2006	182350	(984,133)	134,804	849,329		385,154	0	18,158
	186280	0	0	0				
	186290	0	6,355	(6,355)				
Total		(984,133)	141,159	842,974				
03-31-2006	182350	(956,590)	130,547	826,043		372,990	(1,267)	18,158
	186280	(202,103)	(443)	202,546				
	186290	0	6,355	(6,355)				
Total		(1,158,693)	136,459	1,022,234				
04-30-2006	182350	(844,296)	126,596	717,700		361,702	(5,924)	18,158
	186280	(541,011)	(2,073)	543,084				
	186290	0	6,355	(6,355)				
Total		(1,385,307)	130,878	1,254,429				
05-31-2006	182350	(764,331)	123,067	641,264		351,619	(13,404)	18,158
	186280	(652,373)	(4,691)	657,064				
	186290	0	6,355	(6,355)				
Total		(1,416,704)	124,731	1,291,973				
06-30-2006	182350	(768,298)	119,705	648,593		342,013	(19,164)	18,158
	186280	(266,475)	(6,707)	273,182				
	186290	0	6,355	(6,355)				
Total		(1,034,773)	119,353	915,420				
07-31-2006	182350	(801,242)	128,563	672,679		367,324	(14,654)	0
	186280	1,057,085	(5,129)	(1,051,956)				
	186290	0	0	0				
Total		255,843	123,434	(379,277)				
08-31-2006	182350	(878,742)	124,809	753,933		356,596	(13,017)	0
	186280	604,877	(4,557)	(600,320)				
	186290	0	0	0				
Total		(273,865)	120,252	153,613				
09-30-2006	182350	(896,009)	120,841	775,168		345,261	(204)	0
	186280	0	(71)	71				
	186290	0	0	0				
Total		(896,009)	120,770	775,239				
10-31-2006	182350	(812,348)	117,023	695,325		334,351	(204)	0
	186280	0	(71)	71				
	186290	0	0	0				
Total		(812,348)	116,952	695,396				
11-30-2006	182350	(841,238)	113,327	727,911		323,791	(204)	0
	186280	0	(71)	71				
	186290	0	0	0				
Total		(841,238)	113,256	727,982				
12-31-2006	182350	(1,063,984)	109,068	954,916		311,624	(204)	0
	186280	0	(71)	71				
	186290	0	0	0				
Total		(1,063,984)	108,997	954,987				
Recon:	Total interest 2006		4,290,728					
	Calc non op DFIT 2006		1,501,755					
	Total 410200 2006		1,501,756					

	YTD WA ERM Company Bands 186010	YTD WA ERM Contra Account 186020	GL Impact	YTD WA ERM Company Bands 186010	YTD WA ERM Contra Account 186020	GL Impact	YTD WA ERM Company Bands 186010	YTD WA ERM Contra Account 186020	GL Impact
12-31-2005	Balance	(\$9,000,000)	\$0						
2005 Requirement \$9,000,000									
Jan-06	Reverse 2005	\$9,000,000	\$0						
2006 Requirement									
Band 1 \$4,000,000									
Jan-06	Activity	(\$2,809,450)	\$0						
01-31-2006	Balance	(\$2,809,450)	\$0						
Feb-06	Activity	\$594,012	\$0						
02-28-2006	Balance	(\$2,215,438)	\$0						
Mar-06	Activity	(\$1,784,562)	\$0						
03-31-2006	Balance	(\$4,000,000)	\$0						
Apr-06	Activity	(\$4,000,000)	\$0						
04-30-2006	Balance	(\$4,000,000)	\$0						
May-06	Activity	(\$4,000,000)	\$0						
05-31-2006	Balance	(\$4,000,000)	\$0						
Jun-06	Activity	\$0	\$0						
06-30-2006	Balance	(\$4,000,000)	\$0						
Jul-06	Activity	\$0	\$0						
07-31-2006	Balance	(\$4,000,000)	\$0						
Aug-06	Activity	\$2,255,853	\$0						
08-31-2006	Balance	(\$1,744,147)	\$0						
Sep-06	Activity	(\$1,662,552)	\$0						
09-30-2006	Balance	(\$3,406,699)	\$0						
Oct-06	Activity	\$1,476,518	\$0						
10-31-2006	Balance	(\$1,930,181)	\$0						
Nov-06	Activity	(\$822,894)	\$0						
11-30-2006	Balance	(\$2,753,075)	\$0						
Dec-06	Activity	\$151,411	\$0						
12-31-2006	Balance	(\$2,601,664)	\$0						
Total company absorption YTD (\$2,601,664)									

AVISTA CORPORATION
 DECEMBER 2006 WASHINGTON ELECTRIC SURCHARGE REVENUE & DEFERRAL AMORTIZATION

Schedule (a)	Sch 1 Block Percent (b)	kWh or \$ (c)	Proration Percentages		Surcharge Rates		Current Month Surcharge Revenue Rate		Conversion Factor (k)	Deferral Amortization (l) * (k)
			Before 1-Jan-06 (d)	On/After 1-Jan-06 (e)	Before 1-Jan-06 (f)	On/After 1-Jan-06 (g)	Rate Before 1-Jan-06 (h)	Rate On/After 1-Jan-06 (i)		
1 (0-600 kWh)	42.411%	108,633,049	0.00%	100.00%	0.405¢	0.446¢	\$0	\$484,503	0.956325	\$463,342
1 (601-1300 kWh)	31.153%	79,796,406	0.00%	100.00%	0.607¢	0.668¢	0	533,040	0.956325	509,759
1 (over 1300 kWh)	26.436%	67,714,113	0.00%	100.00%	0.853¢	0.938¢	0	635,158	0.956325	607,417
Total Sch 1	100.000%	256,143,568					0	1,652,701		1,580,518
11		35,344,176	0.00%	100.00%	0.788¢	0.867¢	0	306,434	0.956325	293,050
12		4,587,770	0.00%	100.00%	0.788¢	0.867¢	0	39,776	0.956325	38,039
21		123,849,922	0.00%	100.00%	0.549¢	0.604¢	0	748,054	0.956325	715,383
22		3,466,194	0.00%	100.00%	0.549¢	0.604¢	0	20,936	0.956325	20,022
25		90,174,602	0.00%	100.00%	0.352¢	0.387¢	0	348,976	0.956325	333,734
30		25,120	0.00%	100.00%	0.485¢	0.534¢	0	134	0.956325	128
31		3,342,245	0.00%	100.00%	0.485¢	0.534¢	0	17,848	0.956325	17,068
32		225,589	0.00%	100.00%	0.485¢	0.534¢	0	1,205	0.956325	1,152
41-46		\$292,829	0.00%	100.00%	109.78%	110.76%	0	28,447	0.956325	27,205
47		\$87,571	0.00%	100.00%	109.78%	110.76%	0	8,507	0.956325	8,135
48		\$59,426	0.00%	100.00%	109.78%	110.76%	0	5,773	0.956325	5,521
Schedule Totals		517,159,186					\$0	\$3,178,791		\$3,039,955
kWh not subject to surcharge										-35%
Schedule 28, 63		11,223								(\$1,063,984)
Sch 41-48		2,209,367								DFIT Expense
Total kWh		519,379,776								

Electric Revenue Report by Revenue Class
Current Month and Year-to-Date
for Accounting Period : 200612 , State Code : WA

Accounting Period: 200612 State Code: WA
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Rate Schedule Num	Meters	Usage	Revenue Amt	YTD Average Meters	Ytd Usage	Ytd Revenue Amt
001	195,719	256,143,568	16,145,195	193,060	2,332,184,121	146,050,707
011	18,901	35,344,176	3,246,279	18,652	365,154,315	33,737,902
012	7,339	4,587,770	425,239	7,158	42,178,482	4,043,433
021	3,224	123,849,922	8,625,061	3,230	1,542,246,251	107,092,380
022	73	3,466,194	218,686	74	35,639,672	2,298,351
025	21	90,174,602	4,119,513	21	944,441,577	43,105,281
028	1	10,020	16,590	1	285,530	209,216
030	39	25,120	1,571	39	22,158,240	1,190,123
031	1,053	3,342,245	217,530	1,046	93,424,628	5,807,385
032	1,117	225,589	20,152	1,096	9,858,790	656,720
041	11	8,720	1,520	11	104,640	18,126
042	241	1,088,111	269,828	237	12,948,163	3,188,021
044	14	22,267	2,135	14	264,322	25,099
045	6	90,167	5,124	6	1,083,669	61,433
046	16	185,165	14,222	16	2,218,450	169,325
047	0	503,016	87,571	0	5,958,860	1,041,926
048	0	311,921	59,426	0	3,746,143	712,377
058	0	0	1,178,388	0	0	12,292,297
058A	0	0	-7,888	0	0	-76,595

Electric Revenue Report by Revenue Class
Current Month and Year-to-Date
for Accounting Period : 200612 , State Code : WA

Accounting Period: 200612 | State Code: WA

	Meters	Usage	Revenue Amt	YTD Average Meters	Ytd Usage	Ytd Revenue Amt
063	4	1,203	0	1	2,356	0
090	0	0	4	0	0	48
095	0	0	11,854	0	0	136,186
099	0	0	48,220	0	0	603,623
Total WA	227,779	519,379,776	34,706,220	224,661	5,413,898,209	362,363,364
Total WA	227,779	519,379,776	34,706,220	224,661	5,413,898,209	362,363,364

	Actual Jan-06	Actual Feb-06	Actual Mar-06	Actual Apr-06	Actual May-06	Actual Jun-06	Actual Jul-06	Actual Aug-06	Actual Sep-06	Actual Oct-06	Actual Nov-06	Actual Dec-06
1 555 Purchased Power	\$20,639,556	\$17,910,644	\$23,505,925	\$13,191,911	\$12,879,532	\$14,111,451	\$23,185,412	\$17,583,071	\$11,787,420	\$11,286,899	\$17,570,731	\$18,028,421
2 501 Thermal Fuel	\$2,066,414	\$2,346,267	\$2,087,116	\$1,417,995	\$1,218,808	\$954,497	\$2,235,744	\$3,034,176	\$2,180,179	\$2,534,794	\$1,917,987	\$2,193,828
3 547 CT Fuel	\$85,535,644	\$4,081,840	\$6,063,627	\$8,682,070	\$1,039,557	\$2,516,462	\$9,342,220	\$10,004,415	\$10,312,077	\$11,562,548	\$8,787,625	\$12,576,403
4 447 Sale for Resale	\$(14,135,065)	\$(15,563,340)	\$(26,417,694)	\$(14,606,723)	\$(17,702,240)	\$(16,945,256)	\$(18,645,337)	\$(8,793,473)	\$(6,474,627)	\$(5,981,196)	\$(16,457,722)	\$(13,849,923)
5 Actual Net Expense	\$135,833,726	\$10,757,198	\$7,857,317	\$589,983	\$2,564,343	\$637,154	\$16,118,039	\$21,828,189	\$17,805,049	\$19,405,045	\$11,818,621	\$18,948,729
6 456100 Transmission Revenue	\$(10,541,337)	\$(605,537)	\$(995,296)	\$(686,810)	\$(987,177)	\$(1,501,608)	\$(1,036,900)	\$(1,071,042)	\$(876,182)	\$(845,172)	\$(689,610)	\$(658,111)
7 565 Transmission Expense	\$11,661,366	\$924,193	\$914,470	\$909,246	\$867,053	\$953,460	\$1,042,755	\$1,050,803	\$1,057,903	\$1,084,764	\$1,052,897	\$1,127,216
8 557170 Broker Fees	\$92,488	\$8,757	\$10,643	\$7,440	\$6,308	\$8,066	\$13,453	\$6,195	\$4,372	\$3,077	\$4,972	\$6,536
9 Less Pollatch 62 aMW directly to ID	\$(21,029,213)	\$(1,648,428)	\$(1,861,698)	\$(1,504,346)	\$(1,938,096)	\$(1,089,696)	\$(1,989,514)	\$(1,976,681)	\$(1,796,073)	\$(1,882,729)	\$(1,772,510)	\$(1,704,611)
10 Adjusted Actual Net Expense	\$116,237,240	\$9,428,346	\$5,924,369	\$(697,248)	\$(4,616,255)	\$(994,624)	\$14,137,833	\$19,837,464	\$16,195,089	\$17,744,965	\$10,414,370	\$17,718,759

AUTHORIZED NET EXPENSE-SYSTEM

	Actual Jan-06	Actual Feb-06	Actual Mar-06	Actual Apr-06	Actual May-06	Actual Jun-06	Actual Jul-06	Actual Aug-06	Actual Sep-06	Actual Oct-06	Actual Nov-06	Actual Dec-06
11 555 Purchased Power	\$78,312,672	\$7,844,080	\$5,646,977	\$5,167,798	\$3,919,404	\$3,947,698	\$4,611,314	\$6,114,915	\$7,038,560	\$6,475,870	\$6,922,384	\$9,429,894
12 501 Thermal Fuel	\$18,966,459	\$1,498,204	\$1,704,104	\$1,638,517	\$1,295,688	\$1,037,197	\$1,667,775	\$1,714,511	\$1,660,059	\$1,715,380	\$1,660,551	\$1,714,075
13 547 CT Fuel	\$70,026,232	\$4,558,576	\$9,264,020	\$4,700,957	\$3,330,480	\$1,269,298	\$4,313,402	\$6,001,145	\$7,105,523	\$8,212,014	\$7,711,236	\$7,586,613
14 447 Sale for Resale	\$(62,059,914)	\$(2,591,928)	\$(3,322,097)	\$(6,706,383)	\$(10,402,116)	\$(7,569,805)	\$(6,457,020)	\$(3,368,084)	\$(1,492,368)	\$(2,440,168)	\$(5,554,272)	\$(3,350,298)
15 Settlement/Compliance Filing Adj.	\$(251,923)	\$74,750	\$(516,741)	\$(129,319)	\$921,340	\$(1,353,073)	\$(1,331,742)	\$(28,867)	\$1,162,101	\$855,509	\$(283,194)	\$266,894
16 456100 Transmission Revenue	\$(10,268,050)	\$(850,451)	\$(850,576)	\$(854,363)	\$(856,884)	\$(860,452)	\$(862,366)	\$(861,081)	\$(861,257)	\$(853,900)	\$(853,565)	\$(853,205)
17 565 Transmission Expense	\$13,307,162	\$1,132,836	\$1,106,210	\$1,097,845	\$1,084,823	\$1,096,602	\$1,107,276	\$1,095,400	\$1,091,132	\$1,164,092	\$1,117,299	\$1,122,262
18 557 Broker Fees	\$78,000	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500
19 565 Compliance Filing	\$(84,000)						\$(49,000)					
20 Authorized Net Expense	\$108,026,098	\$16,598,741	\$10,324,281	\$10,033,168	\$3,866,759	\$(2,426,035)	\$3,006,140	\$10,667,439	\$15,703,250	\$15,128,297	\$10,718,939	\$15,915,735
21 Actual - Authorized Net Expense	\$8,211,202	\$(5,454,589)	\$(895,935)	\$(4,108,799)	\$(3,104,579)	\$1,431,411	\$11,131,693	\$9,170,025	\$491,839	\$2,616,688	\$(305,569)	\$1,803,024
22 557 Resource Optimization	\$2,759,309	\$1,729,085	\$766,402	\$1,024,018	\$(277,505)	\$(7,197)	\$(1,313,257)	\$105,939	\$45,296	\$17,812	\$58,748	\$104,804
23 Adjusted Actual-Authorized Net Exp	\$10,970,511	\$(3,725,504)	\$(129,533)	\$(3,084,781)	\$(4,841,512)	\$1,424,214	\$9,818,436	\$9,275,964	\$537,135	\$2,634,500	\$253,179	\$1,907,828
24 Washington Alloc. @ 65.16%	\$7,148,385	\$(2,427,538)	\$(84,404)	\$(2,010,043)	\$(3,154,729)	\$928,018	\$6,397,693	\$6,044,218	\$349,997	\$1,716,640	\$164,971	\$1,243,141
25 Enron Contract Buyout 100%	\$390,798	\$32,563	\$32,563	\$32,563	\$32,563	\$32,563	\$32,570	\$32,570	\$32,570	\$32,570	\$32,570	\$32,570
26 WA Retail Revenue Adjustment	\$(10,140,847)	\$(414,475)	\$645,853	\$(961,956)	\$(863,401)	\$(1,806,533)	\$(1,943,966)	\$(364,495)	\$(2,045,119)	\$(272,692)	\$(1,020,435)	\$(1,124,300)
27 Net Power Cost Increase (Decrease)	\$(2,601,664)	\$(2,809,450)	\$584,012	\$(2,939,436)	\$(3,091,494)	\$(845,952)	\$4,486,297	\$5,712,293	\$(1,662,552)	\$1,476,518	\$(822,894)	\$151,411
28 Cumulative Balance	\$(2,809,450)	\$(2,215,438)	\$(5,154,874)	\$(8,246,368)	\$(11,096,785)	\$(11,942,737)	\$(7,456,440)	\$(1,744,147)	\$(3,406,699)	\$(1,930,181)	\$(2,753,075)	\$(2,601,664)

100%
 90%
 80%
 70%
 60%
 50%
 40%
 30%
 20%
 10%
 0%

check #- should be zero

Deferral Report
 Deferral Amount, Cumulative
 Month of Dec '06
 Account 557 for Budget
 Page 19 of 24
 Company Band Gross Margin Impact, Cumulative
 Page 22 of 27

Avista Utilities
System Power Supply Expenses
WASHINGTON DEFERRED POWER COST CALCULATION

ACTUALS

Line No.	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	TOTAL 2006
1	11,111,543	9,184,537	15,446,671	6,616,895	6,684,474	8,207,670	16,342,120	11,014,495	5,770,330	4,554,926	8,412,784	8,849,176	112,195,621
2	130,200	117,600	130,200	125,825	130,200	126,000	130,200	130,200	126,000	130,375	126,000	130,200	1,533,000
3	71,982	56,106	54,061	26,813	12,553	60,659	109,767	118,653	127,019	111,232	143,719	119,464	1,012,028
4	489,969	448,812	439,976	503,114	575,131	654,605	758,763	717,921	585,055	564,512	701,550	613,559	7,052,967
5	111,460	83,146	83,143	151,994	133,323	444,931	123,118	149,616	106,758	116,041	109,899	417,787	2,031,216
6	303,287	303,287	303,287	(242,877)	303,287	303,287	303,287	303,287	303,287	303,287	303,287	-12,374	2,777,619
7	120,206	109,038	86,702	109,038	109,038	109,038	109,038	109,038	(79,512)	112,559	112,559	15,137	1,021,879
8		0								134,759	(10,964)		123,795
9	677	479	548	454	492	452	398	532	469	398	519	765	6,183
10	152,947	116,699	110,219	117,174	95,742	114,073	98,539	51,950	51,710	51,774	89,306	103,903	1,154,036
11	384,035	337,964	316,463	230,988	239,501	258,750	35,915		18,507	40,267	301,434	335,635	2,499,459
12	2,877,241	2,599,868	1,420,490	1,375,751							2,373,081	2,451,882	13,098,313
13	257,874	482,126	494,882	52,149	(62,610)	(38,666)	29,556	(72,263)	50,323	120,786	(184,287)	256,875	1,386,545
14	567,300	512,400	567,300	548,238	567,300	549,000	567,300	567,300	549,000	568,063	549,000	567,300	6,679,501
15	1,041,600	940,800	1,041,600	1,006,600	1,041,600	1,008,000	1,041,600	1,041,600	1,008,000	1,043,000	1,008,000	1,041,600	12,264,000
16	590,550	533,400	590,550	570,706	590,550	571,500	590,550	590,550	571,500	591,344	571,500	590,550	6,953,250
17	118,405	106,152	128,634	96,021	88,064	102,674	127,252	130,596	118,350	175,123	175,379	165,591	1,532,241
18	1,854,831	1,648,428	1,861,698	1,504,346	1,938,096	1,089,696	1,999,514	1,976,681	1,796,073	1,882,729	1,772,510	1,704,611	21,029,213
19	26,300	54,450	131,500	131,500	131,500	157,800	157,800	157,800	131,500	131,500	75,673	39,450	1,326,773
20						85,838	263,479	266,993	283,252	171,323	328,220	285,434	1,684,539
21	379,106	212,023	246,879	209,873	228,635	230,489	285,331	224,705	194,559	226,818	362,642	103,305	2,904,365
22				11,266	21,930	23,840	55,850	51,545	26,785	15,922			207,138
23	50,043	63,329	51,222	46,043	50,726	51,815	56,035	51,872	48,455	189,100	183,000	189,100	561,200
24	20,639,556	17,910,644	23,505,825	13,191,911	12,879,532	14,111,451	23,185,412	17,583,071	11,787,420	11,288,899	17,570,731	18,028,421	647,992
25													201,682,873
(1) Effective November, 2005, WNP-3 purchase expense has been adjusted to reflect the mid-point price (\$95.62/MWh for the 2005-06 contract year). Effective November 2006 the mid-point price is \$37.17/MWh for the 2006-07 contract year, per Settlement Agreement, Cause No. U-86-99													
447 SALES FOR RESALE													
26	13,490,234	14,944,085	25,803,958	14,157,413	17,219,988	16,256,574	17,424,159	7,662,041	5,665,057	4,999,682	15,419,388	10,244,907	163,277,486
27	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	1,800,000
28	7,303	6,003	6,663	6,108	6,379	6,583	47,026	70,572	55,750	81,706	41,337	47,967	383,397
29	35,558	28,319	42,447	32,743	30,968	30,479	28,413	92,451	25,409	37,164	33,962	32,934	450,847
30	228,144	201,496	204,988	87,402	96,119	132,008	300,236	297,892	222,685	250,453	273,297	288,192	2,582,912
31	(4,095)	(3,961)	(4,709)	(5,094)	(12,200)	(4,084)	(4,915)	(4,095)	(4,045)	(4,952)	(4,032)	(3,967)	(60,149)
32	177,878	174,069	163,425	132,108	160,260	229,638	432,414	337,241	243,088	288,643	277,255	321,537	2,937,556
33						93,851	211,969	145,499	68,228	125,439	200,595	130,530	976,111
34													139,160
35													2,439,192
36	50,043	63,329	50,922	46,043	50,726	50,207	56,035	51,872	48,455	53,061	65,920	59,471	646,084
37	14,135,065	15,563,340	26,417,694	14,606,723	17,702,240	16,945,256	18,645,337	8,793,473	6,474,627	5,981,196	16,457,722	13,849,923	175,572,596

Avista Utilities
System Power Supply Expenses
WASHINGTON DEFERRED POWER COST CALCULATION

\$
ACTUALS

Line No.	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	TOTAL 2006
<u>501 FUEL-DOLLARS</u>													
38													
39	936,228	1,039,143	856,427	409,137	569,155	244,930	848,045	996,539	924,660	1,007,345	696,979	951,798	9,480,386
40	1,107,263	1,296,087	1,216,168	995,417	637,577	702,453	1,260,002	1,992,518	1,242,173	1,507,874	1,205,122	1,238,392	14,401,046
	2,043,491	2,335,230	2,072,595	1,404,554	1,206,732	947,383	2,108,047	2,989,057	2,166,833	2,515,219	1,902,101	2,190,190	23,881,432
41													
42	22,775	(1,493)	313	661	(976)	4,386	25,156	(10,404)	624	668	2,753	3,447	47,910
43	148	12,530	14,208	12,780	13,052	2,728	102,541	55,523	12,722	18,907	13,133	191	258,463
44	22,923	11,037	14,521	13,441	12,076	7,114	127,697	45,119	13,346	19,575	15,886	3,638	306,373
	2,066,414	2,346,267	2,087,116	1,417,995	1,218,808	954,497	2,235,744	3,034,176	2,180,179	2,534,794	1,917,987	2,193,828	24,187,805
<u>501 FUEL-TONS</u>													
45	47,240	46,168	46,217	25,253	39,169	13,988	48,300	47,078	51,103	55,992	46,412	50,322	517,242
46	91,999	85,433	94,722	77,639	55,753	49,165	87,718	106,890	87,675	94,475	96,830	90,640	1,018,939
<u>501 FUEL-COST PER TON</u>													
47	19.82	22.51	18.53	16.20	14.53	17.51	17.56	21.17	18.09	17.99	15.02	18.91	18.33
48	12.04	15.17	12.84	12.82	11.44	14.29	14.36	18.64	14.17	15.96	12.45	13.66	14.13
	wood \$												\$
	coal \$												\$
<u>547 FUEL</u>													
49	102	(77)	17	(178)	399	36	131,578	9,367	(94)	6,045	10,115	5,503	162,813
50	(2,708)	7,246	1,505	4,296	88,837	82,910	287,029	204,299	261,346	131,357	108,490	17,778	1,192,385
51	3,153	13,263	(76)	3,779	502	1,065	6,107	42,194	22,870	11,581	311	93	104,842
52	4,078,827	6,042,794	8,679,738	560,356	832,793	2,204,212	7,923,906	9,644,605	10,026,126	11,393,908	8,636,479	12,395,926	82,419,870
53	2,466	401	886	(1,453)	117,026	228,239	993,600	103,950	1,829	19,657	32,230	157,103	1,655,934
54	4,081,840	6,063,627	8,682,070	566,800	1,039,557	2,516,462	9,342,220	10,004,415	10,312,077	11,562,548	8,787,625	12,576,403	85,535,644
55	12,652,745	10,757,198	7,857,317	569,983	(2,564,343)	637,154	16,118,039	21,828,189	17,805,049	19,405,045	11,818,621	18,948,729	135,833,726

AMVISTA UTILITIES
 Washington Electric Jurisdiction
 Energy Recovery Mechanism Revenue Credit
 Month of December 2006

Description	January	February	March	April	May	June	July	August	September	October	November	December	YTD
Total WA kWhs per Rev Run	513,987,102	483,960,822	470,082,818	431,281,589	401,292,137	406,145,773	418,611,569	452,388,330	462,663,181	421,461,615	432,633,497	519,379,776	5,413,898,209
Deduct Prior Month Unbilled kWhs Heating	(355,532,546)	(333,551,203)	(299,669,681)	(293,686,289)	(294,319,437)	(293,057,121)	(286,171,989)	(299,054,904)	(288,060,092)	(288,339,066)	(306,774,328)	(363,211,983)	(3,701,438,639)
Deduct Prior Month Unbilled kWhs Cooling						(1,199,563)	(2,526,969)	(7,841,740)	(4,466,739)				(16,035,011)
Add Current Month Unbilled kWhs Heating	333,551,203	299,669,681	293,686,289	294,319,437	293,057,121	286,171,989	299,054,904	288,050,092	288,339,066	306,774,328	363,211,983	353,051,283	3,698,957,376
Add Current Month Unbilled kWhs Cooling					1,199,563	2,526,969	7,841,740	4,466,739					16,035,011
Washington Retail kWhs	492,005,759	450,079,300	464,109,426	431,914,737	401,229,384	400,588,047	436,819,255	438,008,517	458,475,416	439,696,877	489,071,152	509,219,076	5,411,416,946
Test Year Consumption (1)	481,595,239	466,825,783	439,660,052	414,394,121	379,308,995	354,515,250	387,230,374	447,381,840	406,298,564	433,131,839	463,146,866	480,633,226	5,154,112,149
Difference from Test Year	10,420,520	(16,746,483)	24,449,374	17,520,616	21,920,389	46,072,797	49,588,881	(9,373,323)	52,176,852	6,765,038	25,924,286	28,585,850	257,304,797
WA Retail Revenue Credit (2)	\$406,713	(\$653,615)	\$954,259	\$983,830	\$855,553	\$1,798,221	\$1,935,454	(\$365,841)	\$2,036,463	\$264,039	\$1,011,825	\$1,115,706	\$10,042,606
Net Wind Revenue Credit	\$7,762	\$7,762	\$7,697	\$7,221	\$7,848	\$9,312	\$9,512	\$8,614	\$9,656	\$8,653	\$9,610	\$9,594	\$98,241
Total Revenue Credit	\$414,475	(\$645,853)	\$961,956	\$991,051	\$863,401	\$1,806,533	\$1,943,966	(\$357,227)	\$2,045,119	\$272,692	\$1,020,435	\$1,124,300	\$10,140,847

(1) from Exhibit No. 185 (WGJ-5) in Docket No. UE-050482 and Exhibit No. (WGJ-2) in Docket No. UE-060181.

(2) Production and Transmission Retail Revenue Credit Rate per the Settlement Agreement approved in Docket No. UE-060181, Order 03. Reflects Exhibit No. 137 (TLK-7) Column F, Line 27 + Line 28, revised for Commission Ordered Adjustments and Revenue Increase Approved in Docket No. UE-050482.

Schedule 95 Wind Revenue	0.275	\$10,706.75	\$10,706.60	\$9,960.06	\$10,824.22	\$11,464.50	\$11,740.59	\$11,880.78	\$11,939.79	\$11,934.76	\$11,875.35	\$11,854.02	\$135,503.31
Deduct Admin Expense		\$2,944.36	\$2,944.32	\$2,739.02	\$2,976.66	\$3,152.74	\$3,228.66	\$3,267.21	\$3,283.44	\$3,282.06	\$3,265.72	\$3,259.86	\$37,263.41
Net Wind Revenue Credit		\$7,762.39	\$7,762.29	\$7,221.04	\$7,847.56	\$8,311.76	\$8,511.93	\$8,613.57	\$8,656.35	\$8,652.70	\$8,609.63	\$8,594.16	\$98,239.90

Year to Date Adjustment to Revenue Credit at May 2006

Revenue Credit as Recorded per ERM Journal	Revised Revenue Credit per Settlement Agreement	Year to Date Adjustment
\$384,881	\$414,475	\$801,147
(\$598,293)	(\$645,853)	\$963,401
		\$1,563,307
		\$110,967

Correct Input Error April 2006 Journal (3)

April Revenue Credit as revised June 2006

Corrected April Revenue Credit

Adjustment recorded with August 2006 Journal

August Total Revenue Credit Entry

April Input Error Adjustment	(\$30,672)
Adjustment	\$691,051
	\$721,722
	\$364,495

(3) The April 2006 Journal had inadvertently used April 2005 Revenue Run kWhs in the calculation. This adjustment corrects the year to date revenue credit for this error.

Avista Corporation Journal Entry

Journal: 485-ECB AMORT
 Team: Resource Accounting
 Type: C
 Category: DJ

Effective Date: 200612
 Last Saved by: Lori Hamilton
 Submitted by: Lori Hamilton
 Last Saved: 12/27/2006 3:25 PM

Seq.	Co.#	FERC	Ser.	Jur.	S.I.	Debit	Credit	Comment
10	001	557162 - ENRON CONTRACT BUYOUT	ED	WA	DL	29,313.00		Amortization expense
20	001	182360 - REGULATORY ASSET ENRON CONTRACT	ED	WA	DL		29,313.00	Amortization for WA ERM
30	001	182360 - REGULATORY ASSET ENRON CONTRACT	ED	WA	DL	64.00		Accrue interest on unamortized balance for future recovery
40	001	419000 - INTEREST AND DIVIDEND INCOME	ZZ	ZZ	DL		64.00	Interest income accrued
50	001	410100 - PRV DFIT DR	ED	WA	DL		10,260.00	DFIT expense on amortization (operating)
60	001	410200 - DFIT EXP-NONOPER (DR)	ZZ	ZZ	DL	21.00		DFIT expense on interest (non-operating)
70	001	283360 - ADFIT ENRON CONTRACT BUYOUT	ED	WA	DL	10,239.00		ADFIT ECB
TOTALS:						39,637.00	39,637.00	

Explanation:
 The WA ERM Settlement created a regulatory asset to be recovered over the 3 year period of the original purchased power contract (2004-2006). As the contract buyout expense is amortized it will become part of the monthly ERM calculation.

Lori Hamilton
 Prepared by Lori Hamilton
 Date: 1/2/07

Lori Judge
 Reviewed by
 Date: 1/2/07

Approved for Entry
 Corporate Accounting use Only
 Date: _____

Account	Period	DR	CR	DFIT	DFIT	283360 ED WA ADFIT	EIF 1/05
Avista Corporation Enron Contract Buyout Amortization Schedule July 2006 - December 2006 Weighted cost of debt at 12/31/05: 8.10% Weighted cost of debt at 06/30/06: 8.253%							
Uniform Monthly Amortization		90%					
		-\$29,313					
Balance	06-30-2006	\$173,548					
Amortization	Jul-06	-29,313			(9,969)		9,969
Net of amortization		144,235	182360 ED WA	410100 ED WA	(10,260)		(6,245)
Average balance		158,892					10,260
Interest (net of tax)	0.0044704	710	182360 ED WA	410200 ZZ ZZ	249		(249)
Balance	07-31-2006	\$144,945			(10,011)		10,011
Amortization	Aug-06	-29,313					(5,734)
Net of amortization		115,632	557162 ED WA	410100 ED WA	(10,260)		10,260
Average balance		130,289					
Interest (net of tax)	0.0044704	582	182360 ED WA	410200 ZZ ZZ	204		(204)
Balance	08-31-2006	\$116,214			(10,056)		10,056
Amortization	Sep-06	-29,313					(4,878)
Net of amortization		86,901	557162 ED WA	410100 ED WA	(10,260)		10,260
Average balance		101,558					
Interest (net of tax)	0.0044704	454	182360 ED WA	410200 ZZ ZZ	159		(159)
Balance	09-30-2006	\$87,355			(10,101)		10,101
Amortization	Oct-06	-29,313					(3,677)
Net of amortization		58,042	557162 ED WA	410100 ED WA	(10,260)		10,260
Average balance		72,699					
Interest (net of tax)	0.0044704	325	182360 ED WA	410200 ZZ ZZ	114		(114)
Balance	10-31-2006	\$58,367			(10,146)		10,146
Amortization	Nov-06	-29,313					(2,483)
Net of amortization		29,054	557162 ED WA	410100 ED WA	(10,260)		10,260
Average balance		43,711					
Interest (net of tax)	0.0044704	195	182360 ED WA	410200 ZZ ZZ	68		(68)
Balance	11-30-2006	\$29,249			(10,192)		10,192
Amortization	Dec-06	-29,313					(10,260)
Net of amortization		-64	557162 ED WA	410100 ED WA	(10,260)		10,260
Average balance		14,583					
Interest (net of tax)	0.0044704	64	182360 ED WA	410200 ZZ ZZ	21		(21)
Balance	12-31-2006	\$0			(10,239)		10,239
							Total monthly DFIT & ADFIT
							0
							Total monthly DFIT & ADFIT
							0

Note The interest rate will be updated every six months and the uniform monthly amortization will also be updated every six months.