

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-07-_____

EXHIBIT NO. _____ (WGJ-2)

WILLIAM G. JOHNSON

REPRESENTING AVISTA CORPORATION

Avgon Power Cost Deferrals

	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	\$23,505,825	\$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
2 501 Thermal Fuel	\$2,066,414	\$2,348,267	\$2,087,116	\$1,417,995	\$1,218,808	\$954,487	\$2,235,744	\$3,034,176	\$2,180,179	\$2,534,794	\$1,917,987	\$2,193,828
3 547 CT Fuel	\$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
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)	\$(6,793,473)	\$(6,474,627)	\$(5,981,196)	\$(16,457,722)	\$(13,849,823)
5 Actual Net Expense	\$135,833,726	\$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
6 456100 Transmission Revenue	\$(10,541,137)	\$(605,537)	\$(995,296)	\$(686,810)	\$(987,177)	\$(1,501,608)	\$(1,036,900)	\$(1,071,042)	\$(876,162)	\$(845,172)	\$(689,610)	\$(659,111)
7 565 Transmission Expense	\$11,881,366	\$914,470	\$916,606	\$809,246	\$867,053	\$953,460	\$1,042,755	\$1,050,803	\$1,057,903	\$1,064,764	\$1,052,897	\$1,127,216
8 557170 Broker Fees	\$92,498	\$8,757	\$7,440	\$14,879	\$6,308	\$6,066	\$13,453	\$6,195	\$4,372	\$3,077	\$4,972	\$6,556
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)	\$(894,624)	\$14,137,833	\$19,837,464	\$16,195,089	\$17,744,985	\$10,414,370	\$17,718,759

AUTHORIZED NET EXPENSE-SYSTEM

	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	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	\$3,330,490	\$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)	\$(3,322,097)	\$(6,706,383)	\$(8,805,375)	\$(10,402,116)	\$(7,569,805)	\$(6,457,020)	\$(3,368,084)	\$(1,482,368)	\$(2,440,168)	\$(5,554,272)	\$(3,350,298)
15 Settlement/Compliance Filing Adj.	\$(251,923)	\$74,750	\$(516,741)	\$821,340	\$110,419	\$(1,353,073)	\$(1,331,742)	\$(28,867)	\$1,162,101	\$855,509	\$(283,194)	\$266,894
16 456100 Transmission Revenue	\$(10,268,650)	\$(850,451)	\$(850,576)	\$(854,363)	\$(856,884)	\$(860,452)	\$(862,365)	\$(861,081)	\$(861,257)	\$(853,900)	\$(853,565)	\$(853,205)
17 565 Transmission Expense	\$13,307,162	\$1,132,836	\$1,097,845	\$1,091,385	\$1,084,823	\$1,096,602	\$1,107,276	\$1,095,400	\$1,091,132	\$1,164,092	\$1,117,289	\$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)		\$(7,000)	\$(7,000)		\$(7,000)
20 Authorized Net Expense	\$108,026,038	\$16,598,741	\$10,033,168	\$3,866,759	\$(1,511,676)	\$(2,426,035)	\$3,006,140	\$10,667,439	\$15,703,250	\$15,128,297	\$10,719,939	\$15,915,735
21 Actual - Authorized Net Expense	\$8,211,202	\$(5,454,588)	\$(4,108,799)	\$(4,564,007)	\$(3,104,579)	\$1,431,411	\$1,131,693	\$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	\$56,748	\$104,804
23 Adjusted Actual-Authorized Net Exp	\$10,970,511	\$(3,725,504)	\$(3,084,781)	\$(4,841,512)	\$(3,099,415)	\$1,424,214	\$9,818,436	\$9,275,964	\$537,135	\$2,634,500	\$253,179	\$1,907,828
24 Washington Alloc. @ 65.16%	\$7,148,395	\$(2,427,538)	\$(84,404)	\$(3,154,729)	\$(2,019,579)	\$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)	\$(896,195)	\$30,872	\$(863,401)	\$(1,806,593)	\$(1,943,966)	\$(364,485)	\$(2,045,119)	\$(272,692)	\$(1,020,435)	\$(1,124,300)
27 Net Power Cost Increase (Decrease)	\$(2,601,664)	\$594,012	\$(2,939,436)	\$(3,091,494)	\$(2,850,417)	\$(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)

Deferral %
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Deferral Report
 Month of Dec '06
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Avista Utilities
System Power Supply Expenses
WASHINGTON DEFERRED POWER COST CALCULATION

Line No.	555 PURCHASED POWER	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	Short-Term Purchases	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	PGE CS2 1/2 Exchange	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	Northwestern Load Following	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	Priest Rapids	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	Rocky Reach	11,460	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	Wanapum	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	Wells	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	Black Creek Index Purchase		0								134,759	(10,964)		123,795
9	Deer Lake-IP&L	677	479	548	454	492	452	398	532	469	398	519	765	6,183
10	Small Power	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	Spokane-Upriver	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	WNP-3 (1)	2,877,241	2,599,868	1,420,490	1,375,751							2,373,081	2,451,882	13,098,313
13	Non-Mon. Accruals	257,874	482,126	494,682	52,149	(62,610)	(38,666)	29,556	(72,263)	50,323	120,786	(184,287)	256,875	1,386,545
14	DUKE #2108	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	MS #118118	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	EL PASO/MS #135382	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	Haleywest/Silmons Lumber	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	Pollatch 62 aMW Purch	1,854,831	1,648,428	1,861,688	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	Douglas Capacity	26,300	54,450	131,500	131,500	131,500	157,800	157,800	157,800	131,500	131,500	131,500	39,450	1,326,773
20	BPA NT deviation energy	379,106	212,023	246,879	209,873	228,635	85,838	263,479	266,993	283,252	171,323	328,220	285,434	1,684,539
21	PPLM Wind Power													
22	M.C./S.F. LOSSES				11,266	21,930	230,489	285,331	224,705	194,559	226,818	362,642	103,305	2,904,365
23	Seattle Capacity													
24	WPM Ancillary Services													
25	Total Account 555	50,043	63,329	51,222	46,043	50,726	51,815	56,035	51,872	48,455	53,061	65,920	59,471	647,992
		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	201,682,873

(1) Effective November, 2005, WNP-3 purchase expense has been adjusted to reflect the mid-point price (\$35.62/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	Short-Term Sales	13,490,234	14,944,085	25,803,958	14,157,413	17,219,988	16,256,574	17,424,159	7,652,041	5,665,057	4,999,682	15,419,388	10,244,907	163,277,486
27	Peaker LLC/PGE Cap Sale	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	Kaiser Load Following	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	Pend Oreille DES	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	Nichols Pumping Index Sale	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	Enron/PGE Cap Fee, employee svcs	(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	Northwestern Load Following	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	BPA NT deviation energy rev						93,851	211,969	145,499	68,228	125,439	200,595	130,530	976,111
34	SMUD 25													139,160
35	SMUD 50													2,439,192
36	Merchant Ancillary Services	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	Total Account 447	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

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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
501 FUEL-DOLLARS													
38	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
39	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
40	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	22,775	(1,493)	313	661	(976)	4,386	25,156	(10,404)	624	668	2,753	3,447	47,910
42	148	12,530	14,208	12,780	13,052	2,728	102,541	55,523	12,722	18,907	13,133	191	258,463
43	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
44	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
501 FUEL-TONS													
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
501 FUEL-COST PER TON													
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 \$
547 FUEL													
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	82,419,670
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

AVISTA 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	470,092,818	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)	(299,669,881)	(293,686,289)	(294,319,437)	(293,057,121)	(286,171,989)	(289,064,904)	(288,060,092)	(288,339,066)	(306,774,328)	(363,211,983)	(3,701,438,639)
Add Current Month Unbilled kWhs Cooling	333,551,203	299,669,681	293,686,289	294,319,437	293,057,121	(1,199,963)	(2,526,969)	(7,841,740)	(4,466,739)	306,774,328	363,211,983	353,051,283	(16,035,011)
Add Current Month Unbilled kWhs Heating	492,005,759	450,079,300	464,109,426	431,914,737	1,199,563	2,526,969	7,841,740	4,466,739	288,339,066	439,896,877	489,071,152	509,219,076	3,696,957,376
Washington Retail kWhs	481,585,239	466,825,783	439,660,052	414,394,121	379,308,995	400,588,047	436,819,255	438,008,517	458,475,416	433,131,839	463,146,866	480,633,226	5,154,112,149
Test Year Consumption (1)	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
Difference from Test Year	\$406,713	(\$653,615)	\$954,259	\$683,830	\$855,553	\$1,798,221	\$1,935,454	(\$365,841)	\$2,036,463	\$264,039	\$1,011,825	\$1,115,706	\$10,042,606
WA Retail Revenue Credit (2)	\$7,762	\$7,762	\$7,697	\$7,221	\$7,848	\$8,312	\$9,512	\$8,614	\$9,656	\$9,653	\$8,610	\$8,594	\$98,241
Net Wind Revenue Credit	\$414,475	(\$645,853)	\$961,956	\$691,051	\$863,401	\$1,806,533	\$1,943,956	(\$357,227)	\$2,045,119	\$272,692	\$1,020,435	\$1,123,300	\$10,140,847

(1) from Exhibit No. 185 (WGA-5) in Docket No. UE-050482 and Exhibit No. (WGA-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	\$10,706.75	\$10,706.60	\$10,615.89	\$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 Adm'n Expense	\$2,944.36	\$2,944.32	\$2,919.37	\$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
0.005 x 55 = 0.275 per Revenue \$													
Net Wind Revenue Credit	\$7,762.39	\$7,762.29	\$7,696.52	\$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 Agreem	Year to Date Adjustment
\$384,881	\$414,475	\$801,147
(\$596,293)	(\$645,853)	\$863,401
		\$110,967

Correct Input Error April 2006 Journal (3)

April Revenue Credit as revised June 2006		April Input Error Adjustment
Corrected April Revenue Credit		(\$30,672)
Adjustment recorded with August 2006 Journal		\$691,051
August Total Revenue Credit Entry		\$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.