

Avista Corp.
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Corp.

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IDAHO PUBLIC
UTILITIES COMMISSION

January 21, 2011

State of Idaho
Idaho Public Utilities Commission
P.O. Box 83720
Boise, Idaho 83720-0074

RE: Monthly Deferred Cost Report

Enclosed please find 7 copies of the PGA monthly report of activity in the Gas Deferral Accounts. This information is submitted in compliance with Order Number 32102 issued in the Company's most recent Purchase Gas Cost Adjustment filing (Case No. AVU-G-10-03).

If you have any questions regarding this information please feel free to call me at (509) 495-4124.

Sincerely,

A handwritten signature in blue ink that reads "Craig L. Bertholf". The signature is written in a cursive, flowing style.

Craig L. Bertholf
Rate Analyst
Rates and Tariff Administration

Enclosures

Avista Utilities
 State of Idaho
 Gas Costs Deferred and Amortized

| | Last Year | | November 2010 - November 2010 Account Activity | | | Month Of December 2010 Account Activity | | Total |
|----------------------------------|--|--------------------------------------|--|---|---|---|---|-------|
| | Balance Ending 11/1/10 <Refund> or Surcharge | <Refund> or <Surcharge> To Customers | Refunded or <Surcharge> To Customers | Interest <Refund> or <Surcharge> to Customers | Balance Ending 11/30/10 <Refund> or Surcharge | Refunded or <Surcharge> To Customers | Interest <Refund> or <Surcharge> to Customers | |
| Summary of Amortization (Note 1) | (\$5,817,681.66) | \$797,566.23 | (\$4,515.78) | (\$5,024,631.21) | \$910,490.65 | (\$3,807.82) | (\$4,117,948.38) | |

| | | | | | | | |
|------------------------------|---|--|---|---|---|--|--|
| Summary of Deferral (Note 2) | Balance Ending 11/1/10 <Refund> or Surcharge (\$0.03) | <Refund> or Surcharge Deferred (\$52,049.10) | Interest <Refund> or Surcharge Deferred (\$21.66) | Balance Ending 11/30/10 <Refund> or Surcharge (\$52,070.79) | <Refund> or Surcharge Deferred (\$594,198.81) | Interest <Refund> or Surcharge Deferred (\$290.98) | Balance Ending 12/31/10 <Refund> or Surcharge (\$646,560.58) |
|------------------------------|---|--|---|---|---|--|--|

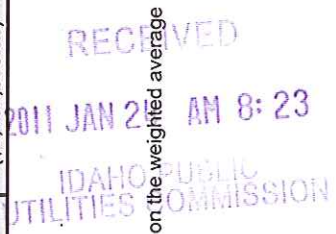
| | | | | | | | |
|-------------------------------------|---|---|--|--|---|--|--|
| Total of Amortization and Deferrals | Balance Ending 11/1/09 Surcharge or <Refund> (\$5,817,681.69) | Net Refund or <Surcharge> To Customers \$745,517.13 | Interest <Refund> or Surcharge to Customers (\$4,537.44) | Balance Ending 11/30/10 <Refund> or Surcharge (\$5,076,702.00) | Net Refund or <Surcharge> To Customers \$316,291.84 | Interest <Refund> or Surcharge to Customers (\$4,098.80) | Balance Ending 12/31/10 <Refund> or Surcharge (\$4,764,508.96) |
|-------------------------------------|---|---|--|--|---|--|--|

Note 1 - these schedules.

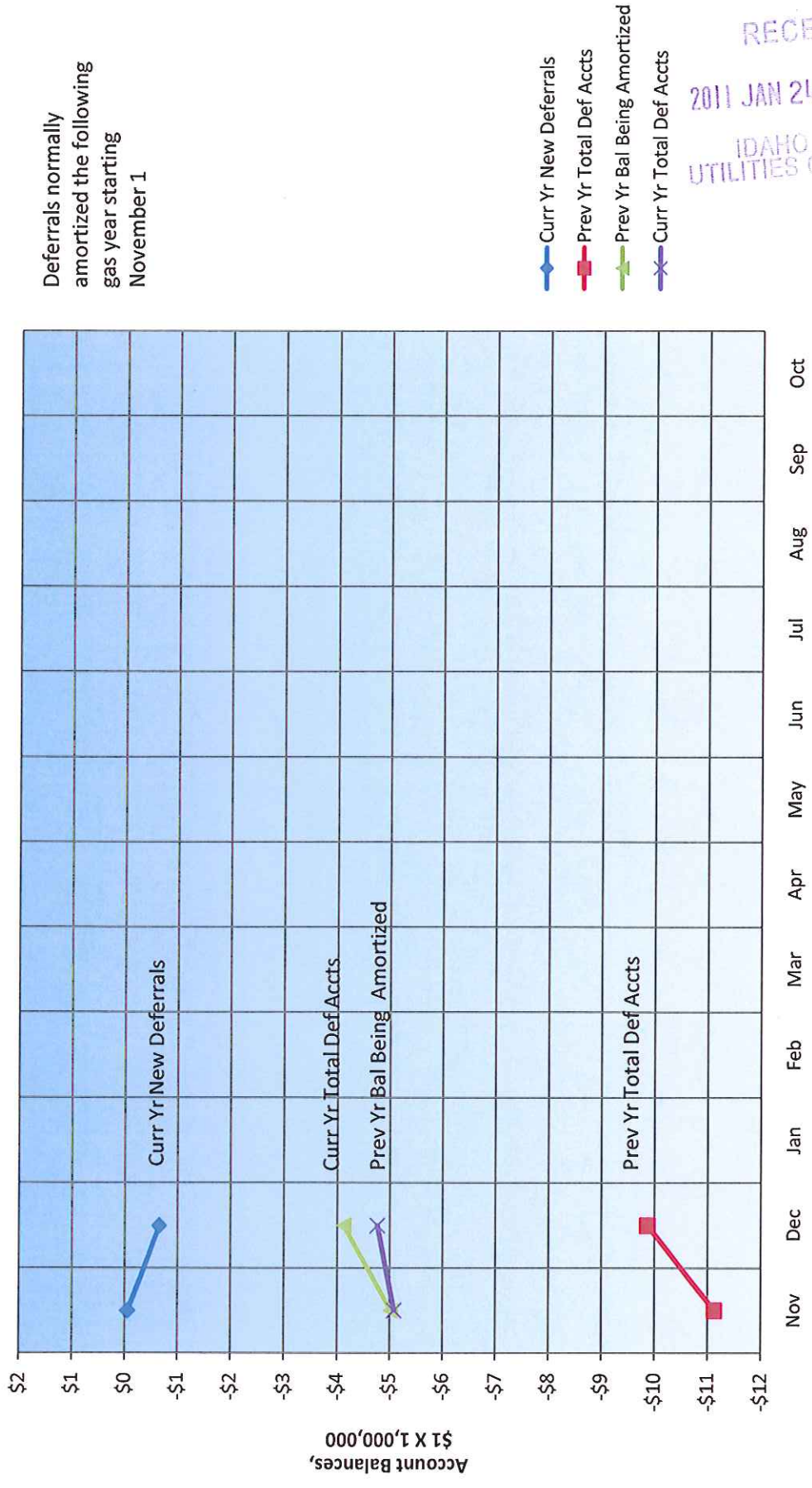
Additionally the rates of interruptible gas Schedule 131 are decreased by \$.08091 cents per therm.

Note 2 - Fifteenth Revision Sheet 150 governs the accounting of deferred gas cost differences. These differences are recorded monthly to Account 191010 and are based on the weighted average cost of gas, including a gross revenue factor, per therm as follows:

| | Firm Schedule 101 | Firm Schedule 111 | Firm Schedule 112 | Interruptible Schedule 113 | Interruptible Schedule 132 |
|----------------|-------------------|-------------------|-------------------|----------------------------|----------------------------|
| Demand Cost | \$0.10486 | \$0.10486 | \$0.10486 | | |
| Commodity Cost | \$0.46101 | \$0.46101 | \$0.46101 | \$0.46101 | \$0.46101 |
| Total Gas Cost | \$0.56587 | \$0.56587 | \$0.56587 | \$0.46101 | \$0.46101 |



Avista PGA Gas Deferral Acct Status as of 12/31/10



Deferrals normally amortized the following gas year starting November 1

- Curr Yr New Deferrals
- Prev Yr Total Def Accts
- ▲— Prev Yr Bal Being Amortized
- ×— Curr Yr Total Def Accts

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