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2012 SEP -4 AM 9:00

IDAHO PUBLIC
UTILITIES COMMISSION

August 30, 2012

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

RE: Monthly Deferred Cost Report

Enclosed please find seven copies of the PGA monthly report of activity in the Gas Deferral Accounts for July 2012. This information is submitted in compliance with Order Number 32471 issued in the Company's most recent Purchase Gas Cost Adjustment filing (Case No. AVU-G-12-01).

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

Sincerely,

A handwritten signature in black ink that reads "Craig L. Bertholf".

Craig L. Bertholf
Rate Analyst
State and Federal Regulation

Enclosures

Avista Utilities
 State of Idaho
 Gas Costs Deferred and Amortized

| | Last Year | | November 2011 - June 2012 Account Activity | | | Month Of July 2012 Account Activity | | Total |
|----------------------------------|--|--|--|--|---|---------------------------------------|--|-------|
| | Balance Ending 11/1/11 <Refund> or Surcharges | Balance Ending 11/1/11 <Refund> or Surcharges | Refunded or <Surcharged> To Customers | Interest <Refunded> or Surcharged to Customers | Balance Ending 6/30/12 <Refund> or Surcharges | Refunded or <Surcharged> To Customers | Interest <Refunded> or Surcharged to Customers | |
| Summary of Amortization (Note 1) | (\$1,533,035.17) | \$1,863,629.16 | \$386.56 | \$330,980.55 | \$57,036.28 | \$545.18 | \$388,562.01 | |

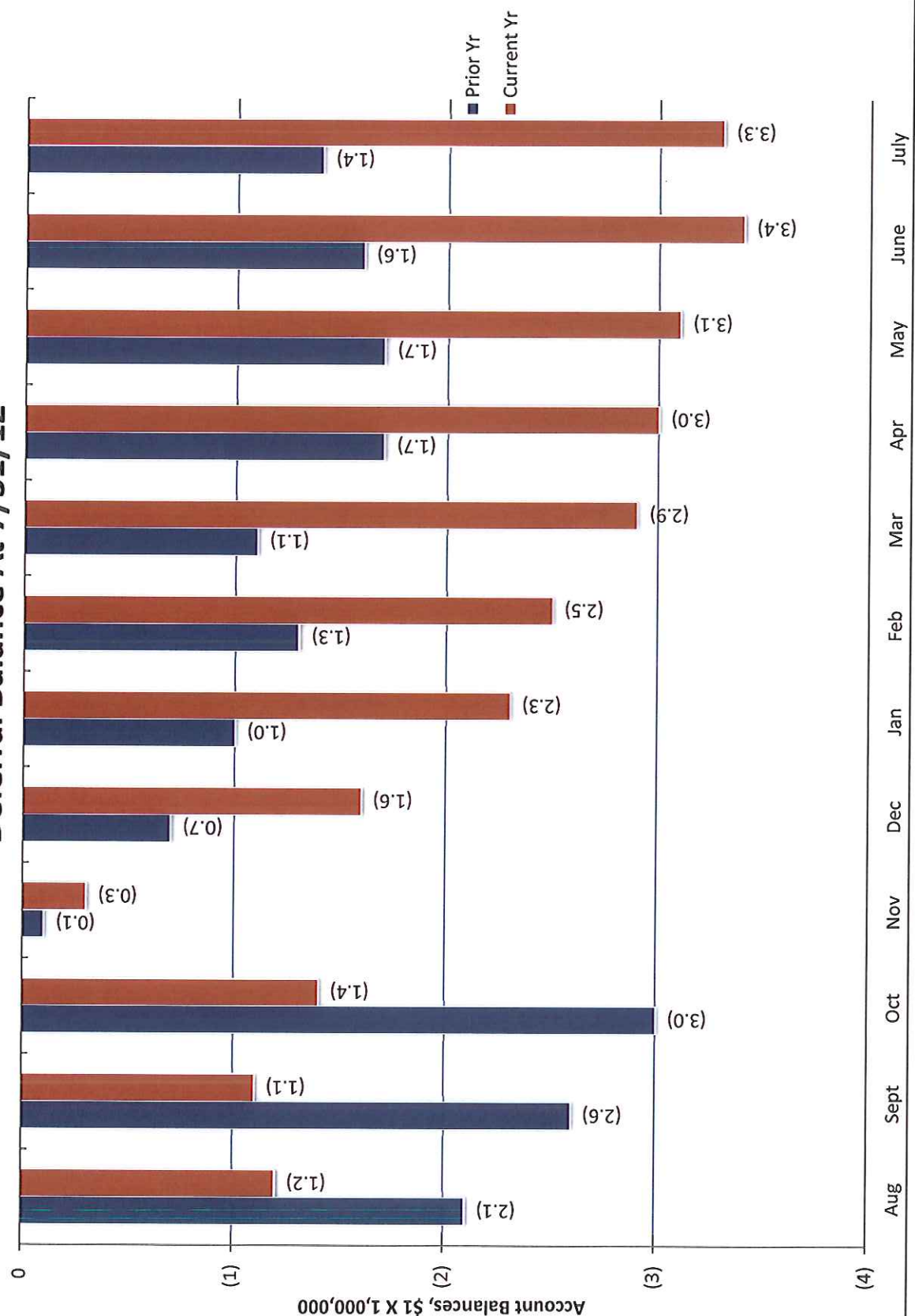
| | Last Year | | November 2011 - June 2012 Account Activity | | | Month Of July 2012 Account Activity | | Total |
|------------------------------|--|--|--|--|---|---------------------------------------|--|------------------|
| | Balance Ending 11/1/11 <Refund> or Surcharges | Balance Ending 11/1/11 <Refund> or Surcharges | Refunded or <Surcharged> To Customers | Interest <Refunded> or Surcharged to Customers | Balance Ending 6/30/12 <Refund> or Surcharges | Refunded or <Surcharged> To Customers | Interest <Refunded> or Surcharged to Customers | |
| Summary of Deferral (Note 2) | | | (\$3,347,938.01) | (\$17,341.57) | (\$3,365,279.58) | \$93,494.73 | (\$3,011.04) | (\$3,274,795.89) |

| | Last Year | | November 2011 - June 2012 Account Activity | | | Month Of July 2012 Account Activity | | Total |
|-------------------------------------|--|--|--|--|---|---------------------------------------|--|-------|
| | Balance Ending 11/1/11 <Refund> or Surcharges | Balance Ending 11/1/11 <Refund> or Surcharges | Refunded or <Surcharged> To Customers | Interest <Refunded> or Surcharged to Customers | Balance Ending 6/30/12 <Refund> or Surcharges | Refunded or <Surcharged> To Customers | Interest <Refunded> or Surcharged to Customers | |
| Total of Amortization and Deferrals | (\$1,533,035.17) | (\$1,484,308.85) | (\$16,955.01) | (\$3,034,299.03) | \$150,531.01 | (\$2,465.86) | (\$2,886,233.88) | |

Note 1 - Amortization is recorded in Account 191000 based on Thirteenth Revision Sheet 155, effective 10/1/11. This Sheet decreases the rates of firm Schedules 101 and 111 by \$.02885 per therm in all blocks and decrease the rates of Schedule 131 by \$.03314 per therm.
 Note 2 - Seventeenth Revision Sheet 150, effective 3/1/12, 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:

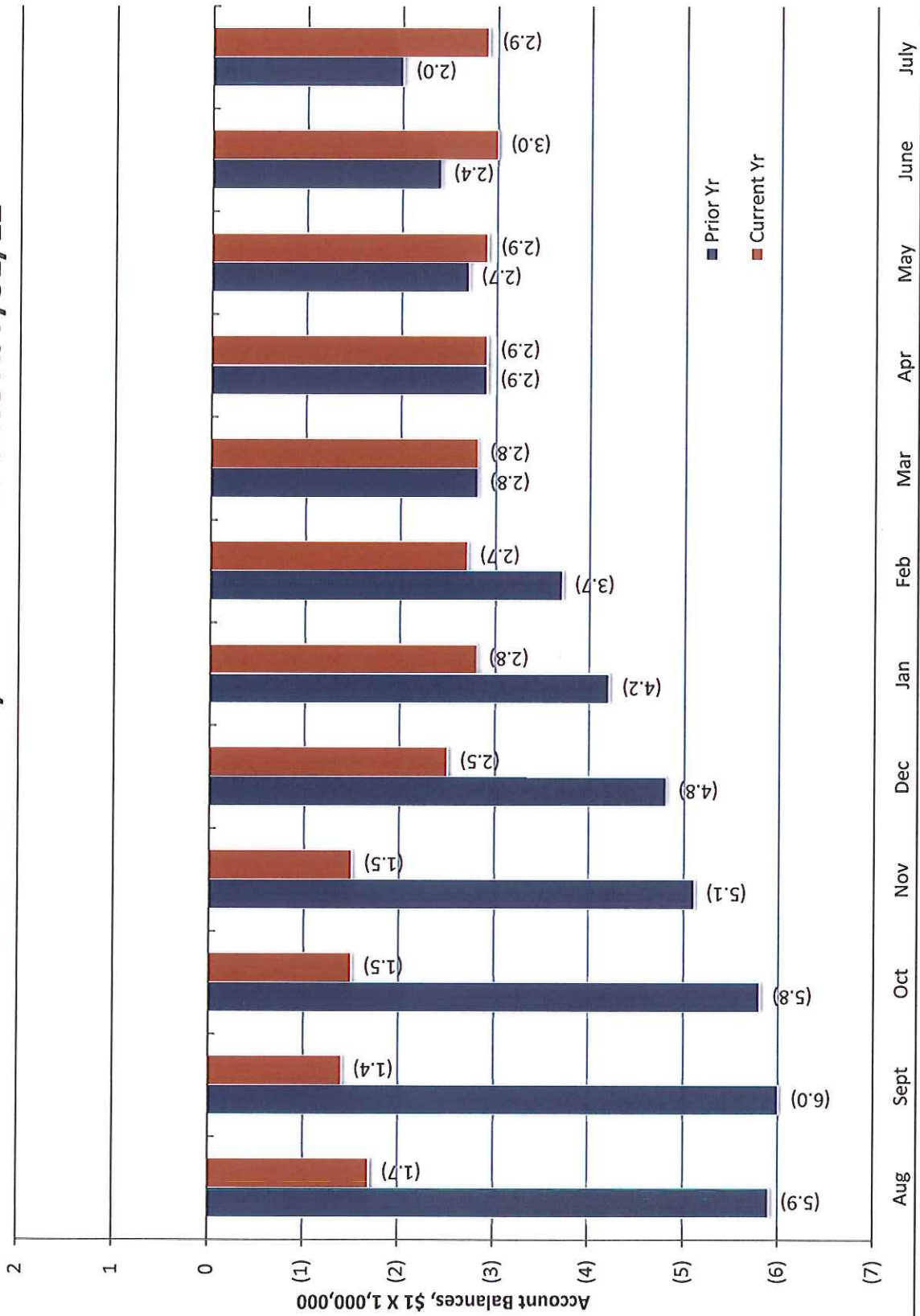
| | Firm Schedule 101 | Firm Schedule 111 | Firm Schedule 112 | Interruptible Schedule 131 | Interruptible Schedule 132 |
|----------------|-------------------|-------------------|-------------------|----------------------------|----------------------------|
| Demand Cost | \$0.11176 | \$0.11176 | \$0.11176 | \$0.36216 | \$0.36216 |
| Commodity Cost | \$0.36216 | \$0.36216 | \$0.36216 | \$0.36216 | \$0.36216 |
| Total Gas Cost | \$0.47392 | \$0.47392 | \$0.47392 | \$0.36216 | \$0.36216 |

AVISTA UTILITIES Deferral Balance At 7/31/12



AVISTA UTILITIES

Total Deferral/Amortized Balance At 7/31/12



AVISTA UTILITIES Amortized Chart At 7/31/12

