

## DECISION MEMORANDUM

**TO:** COMMISSIONER REDFORD  
COMMISSIONER SMITH  
COMMISSIONER KEMPTON  
COMMISSION SECRETARY  
COMMISSION STAFF  
LEGAL

**FROM:** SCOTT WOODBURY  
DEPUTY ATTORNEY GENERAL

**DATE:** AUGUST 22, 2008

**SUBJECT:** CASE NO. AVU-G-08-03 (Avista)  
2008 PURCHASED GAS COST ADJUSTMENT (PGA)

On August 18, 2008, Avista Corporation dba Avista Utilities (Avista; Company) filed its annual Purchased Gas Cost Adjustment (PGA) Application with the Commission requesting authority to place new rate schedules in effect as of October 1, 2008 that would increase its annual natural gas revenues by approximately \$11.6 million or about 14.2%. The PGA mechanism is used to adjust rates for the purchase of gas from wholesale suppliers including transportation, storage, and other related costs of acquiring natural gas. Avista's earnings will not be increased as a result of the proposed changes in prices and revenues. The Company requests and Staff recommends that its Application be processed by Modified Procedure.

### COMMISSION DECISION

Avista has filed its 2008 PGA Application with a requested October 1, 2008 effective date. The Company and Staff recommend that the Application be processed pursuant to Modified Procedure. Does the Commission concur with the recommended procedure?



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Scott Woodbury  
Deputy Attorney General