

Avista Corp.

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

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IDAHO PUBLIC
UTILITIES COMMISSION



August 12, 2011

State of Idaho
Idaho Public Utilities Commission
Statehouse
Boise, Idaho 83720

Case No. AVU-G-11-04/Advice No. 11-03-G

Attention: Ms. Jean D. Jewell

I.P.U.C. No. 27 – Natural Gas Service

Enclosed for filing with the Commission are the following revised tariff sheets:

Sixteenth Revision Sheet 150	canceling	Fifteenth Revision Sheet 150
Thirteenth Revision Sheet 155	canceling	Twelfth Revision Sheet 155

The Company requests that the proposed tariff sheets be made effective October 1, 2011. These tariff sheets reflect the Company's annual Purchased Gas Adjustment (PGA). If these tariff sheets are approved as filed, the Company's annual revenue will *increase* by approximately \$1.1 million or about 1.53%. The proposed changes have no effect on the Company's net income.

The proposed increase results is caused by the elimination of a present refund to pass through gas cost savings from prior years. Further information is included in the attached Application and supporting workpapers. If approved, the average residential or small commercial customer using 62 therms per month will see an increase of \$0.99 per month, or approximately 1.63%. The present bill for 62 therms is \$60.76 while the proposed bill is \$61.75.

If you have any questions regarding this filing, please contact Patrick Ehrbar at (509) 495-8620 or Craig Bertholf at (509) 495-4124.

Sincerely,

A handwritten signature in cursive script that reads "Kelly Norwood".

Kelly Norwood
Vice President, State and Federal Regulation

Enclosures

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IDAHO PUBLIC
UTILITIES COMMISSION

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have served Avista Corporation dba Avista Utilities' filing AVU-G-11-04 with Tariff IPUC No. 27 Natural Gas Service by mailing a copy thereof, postage prepaid to the following:

Jean D Jewell, Secretary
Idaho Public Utilities Commission
472 W. Washington Street
Boise, ID 83720-5983

Paula Pyron
Northwest Industrial Gas Users
4113 Wolfberry Court
Lake Oswego, OR 97035-1827

Chad Stokes
Cable Huston Benedict Haagensen &
Lloyd, LLP
1001 SW 5th, Suite 2000
Portland, OR 97204-1136

Curt Hibbard
St. Joseph Regional Medical Center
PO Box 816
Lewiston, ID 83501

Dated at Spokane, Washington this 12th day of August 2011.



Patrick Ehrbar
State & Federal Regulation

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)
AVISTA UTILITIES FOR AN ORDER APPROVING)
A CHANGE IN NATURAL GAS RATES AND CHARGES)

CASE: AVU-G-11-04

Application is hereby made to the Idaho Public Utilities Commission for an Order approving a revised schedule of rates and charges for natural gas service in the state of Idaho. The Applicant requests that the proposed rates included in this Purchased Gas Adjustment (PGA) filing be made effective on October 1, 2011. If approved as filed, the Company's annual revenue will *increase* by approximately \$1.1 million or about 1.53%. In support of this Application, Applicant states as follows:

I.

The name of the Applicant is AVISTA UTILITIES, a unit of AVISTA CORPORATION, a Washington corporation, whose principal business office is 1411 East Mission Avenue, Spokane, Washington, and is qualified to do business in the state of Idaho. Applicant maintains district offices in Moscow, Lewiston, Coeur d'Alene, and Kellogg, Idaho. Communications in reference to this Application should be addressed to:

Kelly O. Norwood
Vice President – State & Federal Regulation
Avista Utilities
P.O. Box 3727
Spokane, WA 99220-3727

II.

Attorney for the Applicant and his address is as follows:

David J. Meyer
Vice President and Chief Counsel for Regulatory &
Governmental Affairs
Avista Utilities
P.O. Box 3727
Spokane, WA 99220-3727

III.

The Applicant is a public utility engaged in the distribution of natural gas in certain portions of Eastern and Central Washington, Northern Idaho and Southwestern and Northeastern Oregon, and further engaged in the generation, transmission, and distribution of electricity in Eastern Washington and Northern Idaho.

IV.

Sixteenth Revision Sheet 150, which Applicant requests the Commission approve, is filed herewith as Exhibit "A". Additionally, Thirteenth Revision Sheet 155, which Applicant requests the Commission approve, is also filed herewith as Exhibit "A". Also included in Exhibit "A" is a copy of Sixteenth Revision Sheet 150 and Thirteenth Revision Tariff Sheet 155 with the changes underlined and a copy of Fifteenth Revision Sheet 150 and Twelfth Revision Tariff Sheet 155 with the proposed changes shown by lining over the current language or amounts.

V.

The existing rates and charges for natural gas service on file with the Commission and designated as Applicant's Tariff IPUC No. 27, which will be superseded by the rates and charges filed herewith, are incorporated herein as though fully attached hereto.

VI.

Notice to the Public of Applicant's proposed tariffs is to be given simultaneously with the filing of this Application by posting, at each of the Company's district offices in Idaho, a Notice in the form attached hereto as Exhibit "B" and by means of a press release distributed to various informational agencies, a copy attached hereto as Exhibit "E". In addition, a notice will be sent to customers as a bill insert prior to October 1, 2011, a copy of which is also included in Exhibit "E".

VIII.

The circumstances and conditions relied on for approval of Applicant's revised rates are as follows: Applicant purchases natural gas for customer usage and transports it over Williams Pipeline West (d.b.a. Northwest Pipeline Corporation), Gas Transmission Northwest (GTN), TransCanada (Alberta), TransCanada (BC) and Spectra Pipeline systems and defers the effect of timing differences due to implementation of rate changes and differences between Applicant's actual weighted average cost of gas (WACOG) purchased and the WACOG embedded in rates. Applicant also defers various pipeline refunds or charges and miscellaneous revenue received from natural gas related transactions including pipeline capacity releases.

IX.

This filing reflects the Company's proposed annual Purchased Gas Cost Adjustment (PGA) to: 1) pass through changes in the estimated cost of natural gas for the forthcoming thirteen months (Schedule 150), and 2) revise the amortization rate(s) to refund or collect the balance of deferred gas costs (Schedule 155). Below is a table summarizing the proposed changes reflected in this filing.

	Sch.	Commodity Change	Demand Change	Total Sch. 150 Change	Sch. 155 Amort. per therm	Total Rate Change per therm	Overall Percent Change
Service	No.	per therm	per thm				
General	101	(\$0.03796)	\$0.00690	(\$0.03106)	\$0.04697	\$0.01591	1.63%
Lg. General	111	(\$0.03796)	\$0.00690	(\$0.03106)	\$0.04697	\$0.01591	2.05%
Interruptible	131	(\$0.03796)	\$0.00000	(\$0.03796)	\$0.04777	\$0.00981	1.68%

X.

Commodity Costs

As shown in the table above, the estimated commodity cost (WACOG) change is a *decrease* of 3.8 cents per therm. The proposed WACOG is 42.3 cents per therm compared to the present WACOG of 46.1 cents per therm included in rates.

The Company's natural gas procurement plan uses a diversified approach to procure gas for the coming PGA year. While the plan generally incorporates a structured approach for the hedging portion of the portfolio, the Company exercises flexibility and discretion in all areas of the plan based on changes in the wholesale market. The Company typically meets with the Commission Staff semi-annually to discuss the state of the wholesale market and the status of the Company's procurement plan. In addition, the Company communicates with Staff when it believes it makes sense to deviate from its procurement plan and/or opportunities arise in the market.

Avista has been hedging gas on both a periodic and discretionary basis throughout 2011 for the forthcoming PGA year (thirteen months). Approximately 70% of estimated annual load requirements for the PGA year (October 2011 through October 2012) will be hedged at a fixed price, comprised of: 1) 32% of volumes hedged for a term of one year or less, 2) 18% of volumes from prior multi-year hedges, and 3) 20% of volumes from underground storage. Through July, the planned hedge volumes for the PGA year have been executed at a weighted average price of \$4.79 per dekatherm (\$0.479 per therm).

The Company used a 30-day historical average of forward prices (ending July 29, 2011) by supply basin to develop an estimated cost associated with index/spot purchases. The estimated monthly volumes to be purchased by basin are multiplied by the (30-day) average price for the corresponding month and basin. These index/spot volumes represent approximately 30% of estimated annual load requirements for the coming year and the annual weighted average price for these volumes is \$4.02 per dekatherm.

Available underground storage capacity at Jackson Prairie represents approximately 20% of annual load requirements (31% of load requirements during the December to March withdrawal period). The estimated weighted average cost for all storage volumes is \$3.91 per dekatherm. The Company also utilizes (optimizes) its underground storage capacity to provide additional benefits to customers beyond the winter/summer price differential and supply reliability.

On average daily wholesale prices of natural gas have stayed at levels similar to 2010, However, the cash prices experienced over the storage injection season (April – September) have been slightly higher than 2010. This increased pricing level has caused the storage WACOG to be higher than what is currently in rates. While cash prices are currently higher than levels experience a year ago, the forward prices for the upcoming PGA year have continued to drop. This decline has provided the opportunity to hedge natural gas at a cost below what is embedded in rates. The decrease in the cost of hedges more than offsets the increase in the storage WACOG.

XI.

Demand Costs

The Demand Costs shown in the table above primarily represents the cost of pipeline transportation to the Company's system. As shown in the table above, there is a slight increase which is due to, in part, a proposed rate case settlement between Gas Transmission Northwest and their shippers (including Avista).

The proposed settlement will be filed with FERC in the coming weeks, and the Company does not foresee any reason for the proposed settlement to be rejected or modified.

XII.

Schedule 155 / Amortization Rate Change

As shown in the table above, the proposed change in the amortization rates are an increase of approximately 4.7 cents per therm. This increase is a result of the large one-year refund amortization rate from the 2010 PGA being replaced by a smaller one-year amortization rate. The larger refund balance from the prior PGA was almost totally amortized in the current PGA year resulting in a reduction in the refund amortization rate in this PGA. This reduction, coupled with current refund balances of \$1.6 million, results in an increase of approximately 4.7 cents per therm in Schedule 155.

XIII.

The average residential or small commercial customer using 62 therms per month will see an *increase* of \$0.99 per month, or approximately 1.63%. The present bill for 62 therms is \$60.76 while the proposed bill is \$61.75.

XIV.

Exhibit "C" attached hereto contains support for the rates proposed by Applicant contained in Exhibit "A".

XV.

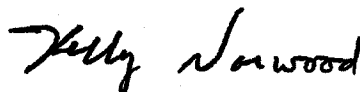
Applicant is requesting that Applicant's rates be approved to become effective on October 1, 2011. Applicant requests that, if appropriate, the Commission adopt the procedures prescribed by Rule 201-210, Modified Procedure. Applicant stands ready for immediate consideration on its Application.

XVI.

WHEREFORE, Applicant requests the Commission issue its Order finding Applicant's proposed rates to be just, reasonable, and nondiscriminatory and to become effective for all natural gas service on and after October 1, 2011.

Dated at Spokane, Washington, this 12th day of August 2011.

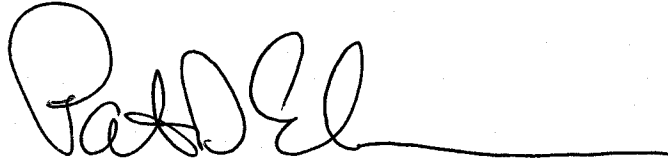
AVISTA UTILITIES
BY



Kelly O. Norwood
Vice President, State and Federal Regulation

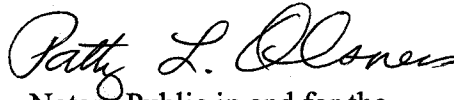
STATE OF WASHINGTON)
) ss.
County of Spokane)

Patrick Ehrbar, being first duly sworn, on oath deposes and says: that he is the Manager of Rates and Tariffs for Avista Utilities; that he has read the above and foregoing Application, knows the contents thereof, and believes the same to be true.



Patrick D. Ehrbar
Manager, Rates & Tariffs

SUBSCRIBED and sworn to before me this 12th day of August 2011.



Notary Public in and for the
State of Washington, residing in
Spokane.



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AVISTA UTILITIES

Case No. AVU-G-11-04

EXHIBIT "A"

Proposed Tariff Sheets

August 15, 2011

AVISTA CORPORATION
d/b/a Avista Utilities

SCHEDULE 150
PURCHASE GAS COST ADJUSTMENT - IDAHO

APPLICABLE:

To Customers in the State of Idaho where Company has natural gas service available.

PURPOSE:

To pass through changes in costs resulting from purchasing and transporting natural gas, to become effective as noted below.

RATE:

- (a) The retail rates of firm gas Schedules 101, 111 and 112 are to be increased by 53.481¢ per therm in all blocks of these rate schedules.
- (b) The rates of interruptible Schedules 131 and 132 are to be increased by 42.305¢ per therm.
- (c) The rate for transportation under Schedule 146 is to be decreased by 0.000¢ per therm.

WEIGHTED AVERAGE GAS COST:

The above rate changes are based on the following weighted average cost of gas per therm as of the effective date shown below:

	Demand	Commodity	Total
Schedules 101	11.176¢	42.305¢	53.481¢
Schedules 111 and 112	11.176¢	42.305¢	53.481¢
Schedules 131 and 132	.000¢	42.305¢	42.305¢

The above amounts include a gross revenue factor.

	Demand	Commodity	Total
Schedules 101	11.135¢	42.148¢	53.283¢
Schedules 111 and 112	11.135¢	42.148¢	53.283¢
Schedules 131 and 132	.000¢	42.148¢	42.148¢

The above amounts do not include a gross revenue factor.

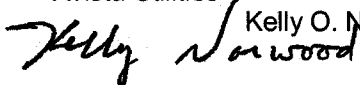
BALANCING ACCOUNT:

The Company will maintain a Purchase Gas Adjustment (PGA) Balancing Account whereby monthly entries into this Balancing Account will be made to reflect differences between the actual purchased gas costs collected from customers and the actual purchased gas costs incurred by the Company. Those differences are then collected from or refunded to customers under Schedule 155 – Gas Rate Adjustment.

Issued August 12, 2011

Effective October 1, 2011

Issued by Avista Utilities

By  Kelly O. Norwood - Vice-President, State & Federal Regulation

AVISTA CORPORATION
d/b/a Avista Utilities

SCHEDULE 150
PURCHASE GAS COST ADJUSTMENT - IDAHO

APPLICABLE:

To Customers in the State of Idaho where Company has natural gas service available.

PURPOSE:

To pass through changes in costs resulting from purchasing and transporting natural gas, to become effective as noted below.

RATE:

- (a) The retail rates of firm gas Schedules 101, 111 and 112 are to be increased by 53.481¢ per therm in all blocks of these rate schedules.
- (b) The rates of interruptible Schedules 131 and 132 are to be increased by 42.305¢ per therm.
- (c) The rate for transportation under Schedule 146 is to be decreased by 0.000¢ per therm.

WEIGHTED AVERAGE GAS COST:

The above rate changes are based on the following weighted average cost of gas per therm as of the effective date shown below:

	Demand	Commodity	Total
Schedules 101	<u>11.176¢</u>	<u>42.305¢</u>	<u>53.481¢</u>
Schedules 111 and 112	<u>11.176¢</u>	<u>42.305¢</u>	<u>53.481¢</u>
Schedules 131 and 132	<u>.000¢</u>	<u>42.305¢</u>	<u>42.305¢</u>

The above amounts include a gross revenue factor.

	Demand	Commodity	Total
Schedules 101	<u>11.135¢</u>	<u>42.148¢</u>	<u>53.283¢</u>
Schedules 111 and 112	<u>11.135¢</u>	<u>42.148¢</u>	<u>53.283¢</u>
Schedules 131 and 132	<u>.000¢</u>	<u>42.148¢</u>	<u>42.148¢</u>

The above amounts do not include a gross revenue factor.

BALANCING ACCOUNT:

The Company will maintain a Purchase Gas Adjustment (PGA) Balancing Account whereby monthly entries into this Balancing Account will be made to reflect differences between the actual purchased gas costs collected from customers and the actual purchased gas costs incurred by the Company. Those differences are then collected from or refunded to customers under Schedule 155 – Gas Rate Adjustment.

Issued August 12, 2011

Effective October 1, 2011

Issued by Avista Utilities
By

Kelly O. Norwood - Vice-President, State & Federal Regulation

AVISTA CORPORATION
d/b/a Avista Utilities

SCHEDULE 150
PURCHASE GAS COST ADJUSTMENT - IDAHO

APPLICABLE:

To Customers in the State of Idaho where Company has natural gas service available.

PURPOSE:

To pass through changes in costs resulting from purchasing and transporting natural gas, to become effective as noted below.

RATE:

- (a) The retail rates of firm gas Schedules 101, 111 and 112 are to be increased by ~~56.587¢~~ per therm in all blocks of these rate schedules.
- (b) The rates of interruptible Schedules 131 and 132 are to be increased by ~~46.101¢~~ per therm.
- (c) The rate for transportation under Schedule 146 is to be decreased by 0.000¢ per therm.

WEIGHTED AVERAGE GAS COST:

The above rate changes are based on the following weighted average cost of gas per therm as of the effective date shown below:

	Demand	Commodity	Total
Schedules 101	10.486¢	46.101¢	56.587¢
Schedules 111 and 112	10.486¢	46.101¢	56.587¢
Schedules 131 and 132	.000¢	46.101¢	46.101¢

The above amounts include a gross revenue factor.

	Demand	Commodity	Total
Schedules 101	10.421¢	45.817¢	56.238¢
Schedules 111 and 112	10.421¢	45.817¢	56.238¢
Schedules 131 and 132	.000¢	45.817¢	45.817¢

The above amounts do not include a gross revenue factor.

BALANCING ACCOUNT:

The Company will maintain a Purchase Gas Adjustment (PGA) Balancing Account whereby monthly entries into this Balancing Account will be made to reflect differences between the actual purchased gas costs collected from customers and the actual purchased gas costs incurred by the Company. Those differences are then collected from or refunded to customers under Schedule 155 – Gas Rate Adjustment.

Issued November 5, 2010

Effective January 1, 2011

Issued by Avista Utilities
By

Kelly O. Norwood - Vice-President, State & Federal Regulation

AVISTA CORPORATION
d/b/a Avista Utilities

SCHEDULE 155
GAS RATE ADJUSTMENT - IDAHO

AVAILABLE:

To Customers in the State of Idaho where Company has natural gas service available.

PURPOSE:

To adjust gas rates for amounts generated by the sources listed below.

MONTHLY RATE:

- (a) The rates of firm gas Schedules 101 and 111 are to be decreased by 2.885¢ per therm in all blocks of these rate schedules.
- (b) The rate of interruptible gas Schedule 131 is to be decreased by 3.314¢ per therm.

SOURCES OF MONTHLY RATE:

Changes in the monthly rates above result from amounts which have been accumulated in the Purchase Gas Adjustment (PGA) Balancing Account as described in Schedule 150 – Purchase Gas Cost Adjustment and Schedule 156 – Purchase Gas Cost Adjustment.

SPECIAL TERMS AND CONDITIONS:

The above Monthly Rate is subject to the provisions of Tax Adjustment Schedule 158.

Issued August 12, 2011

Effective October 1, 2011

Issued by Avista Utilities

By

Kelly Norwood, Vice President, State & Federal Regulation



AVISTA CORPORATION
d/b/a Avista Utilities

SCHEDULE 155
GAS RATE ADJUSTMENT - IDAHO

AVAILABLE:

To Customers in the State of Idaho where Company has natural gas service available.

PURPOSE:

To adjust gas rates for amounts generated by the sources listed below.

MONTHLY RATE:

- (a) The rates of firm gas Schedules 101 and 111 are to be decreased by 2.885¢ per therm in all blocks of these rate schedules.
- (b) The rate of interruptible gas Schedule 131 is to be decreased by 3.314¢ per therm.

SOURCES OF MONTHLY RATE:

Changes in the monthly rates above result from amounts which have been accumulated in the Purchase Gas Adjustment (PGA) Balancing Account as described in Schedule 150 – Purchase Gas Cost Adjustment and Schedule 156 – Purchase Gas Cost Adjustment.

SPECIAL TERMS AND CONDITIONS:

The above Monthly Rate is subject to the provisions of Tax Adjustment Schedule 158.

Issued August 12, 2011

Effective October 1, 2011

Issued by Avista Utilities
By

Kelly Norwood, Vice President, State & Federal Regulation

AVISTA CORPORATION
d/b/a Avista Utilities

SCHEDULE 155
GAS RATE ADJUSTMENT - IDAHO

AVAILABLE:

To Customers in the State of Idaho where Company has natural gas service available.

PURPOSE:

To adjust gas rates for amounts generated by the sources listed below.

MONTHLY RATE:

- (a) The rates of firm gas Schedules 101 and 111 are to be decreased by ~~7.582¢~~ per therm in all blocks of these rate schedules.
- (b) The rate of interruptible gas Schedule 131 is to be decreased by ~~8.091¢~~ per therm.

SOURCES OF MONTHLY RATE:

Changes in the monthly rates above result from amounts which have been accumulated in the Purchase Gas Adjustment (PGA) Balancing Account as described in Schedule 150 – Purchase Gas Cost Adjustment and Schedule 156 – Purchase Gas Cost Adjustment.

SPECIAL TERMS AND CONDITIONS:

The above Monthly Rate is subject to the provisions of Tax Adjustment Schedule 158.

Issued September 14, 2010

Effective November 1, 2010

Issued by Avista Utilities
By

Kelly Norwood, Vice President, State & Federal Regulation

AVISTA UTILITIES

Case No. AVU-G-11-04

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EXHIBIT "B"

Notice of Public Applicant's Proposed Tariffs

August 15, 2011

AVISTA UTILITIES
NOTICE OF IDAHO TARIFF CHANGE
(Natural Gas Service Only)

Notice is hereby given that the "Sheets" listed below of Tariff IPUC No. 27, covering natural gas service applicable to Idaho customers of Avista Utilities have been filed with the Idaho Public Utilities Commission (IPUC) in Boise, Idaho.

Sixteenth Revision Sheet 150	canceling	Fifteenth Revision Sheet 150
Thirteenth Revision Sheet 155	canceling	Twelfth Revision Sheet 155

Thirteenth Revision Sheet 155 updates the amortization rate used to refund or recover previous gas cost differences and Sixteenth Revision Sheet 150 updates the forward-looking cost of natural gas purchased for customer usage.

These tariffs request an annual revenue *increase* of approximately \$1.1 million, or about 1.53%.

This request is a Purchased Gas Cost Adjustment (PGA) that is filed annually to reflect changes in the cost of gas purchased to serve customers. Any increases or decreases resulting from these PGA filings directly result from the cost of gas purchased in the marketplace; Avista makes no additional profits from these rate changes.

If approved as filed a residential or small business customer served under Schedule 101 using an average of 62 therms per month can expect to see an average *increase* of approximately \$0.99 per month, or about 1.63%. Larger commercial customers served under Schedules 111 can expect to see an average *increase* of about 2.05%, with the higher percentages due to lower base rates. However, actual customer increases will vary based on therms consumed.

This filing requests an effective date of October 1, 2011.

Copies of the proposed tariff changes are available for inspection in the Company's offices or can be obtained by calling (509) 495-4067 or writing:

Avista Utilities
Attention: Manager, Rates & Tariffs
P.O. Box 3727
Spokane, WA. 99220-3727

August 15, 2011

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AVISTA UTILITIES

Case No. AVU-G-11-04

EXHIBIT "C"

Workpapers

August 15, 2011

Avista Utilities
 State of Idaho
 Average Increase Per Customer (From Last GRC)

Sch	Average Mo. Usage Per Cust.	Present Rate	Total Present Cost	Proposed Rate	Total Proposed Cost	Estimated Monthly Increase	Estimated Increase Percentage
101	62	\$0.91553	\$56.76	\$0.93144	\$57.75		
Basic Charge		\$4.00	\$4.00		\$4.00		
			<u>\$60.76</u>		<u>\$61.75</u>	\$0.99	1.63%
111	2,023						
First 200		\$0.93198	\$186.40	\$0.94789	\$189.58		
Next 800		\$0.79960	\$639.68	\$0.81551	\$652.41		
1,0001 - 10,000		\$0.72499	\$741.66	\$0.74090	\$757.94		
Over 10,000		\$0.67583		\$0.69174			
			<u>\$1,567.74</u>		<u>\$1,599.93</u>	\$32.19	2.05%
131		\$0.58391		\$0.59372			1.68%
132	36,469	\$0.66482	<u>\$24,245.32</u>	\$0.62686	<u>\$22,860.96</u>	(\$1,384.36)	-5.71%

Avista Utilities
 Calculation of Idaho Proposed Rates

Sch No.	Description	Present Rate	Proposed Schedule 150	Proposed Schedule 155	Proposed Schedule 156	Present Schedule 191 (DSM)	Present Schedule 199 (DSIT)	Total Proposed Rate
101	General	\$0.37515	\$0.53481	(\$0.02885)		\$0.05762	(\$0.00729)	\$0.93144
111	Large General							
	First 200	\$0.39516	\$0.53481	(\$0.02885)		\$0.05038	(\$0.00361)	\$0.94789
	Next 800	\$0.26278	\$0.53481	(\$0.02885)		\$0.05038	(\$0.00361)	\$0.81551
	Next 9,000	\$0.18817	\$0.53481	(\$0.02885)		\$0.05038	(\$0.00361)	\$0.74090
	Over 10,000	\$0.13901	\$0.53481	(\$0.02885)		\$0.05038	(\$0.00361)	\$0.69174
112	Large General							
	First 200	\$0.39516	\$0.53481			\$0.05038	(\$0.00361)	\$0.97674
	Next 800	\$0.26278	\$0.53481			\$0.05038	(\$0.00361)	\$0.84436
	Next 9,000	\$0.18817	\$0.53481			\$0.05038	(\$0.00361)	\$0.76975
	Over 10,000	\$0.13901	\$0.53481			\$0.05038	(\$0.00361)	\$0.72059
131	Interruptible	\$0.16647	\$0.42305	(\$0.03314)		\$0.04020	(\$0.00286)	\$0.59372
132	Interruptible	\$0.16647	\$0.42305			\$0.04020	(\$0.00286)	\$0.62686
146	Transportation	\$0.10559					(\$0.00159)	\$0.10400

Avista Utilities
 Calculation of Idaho Present Rates

Sch No.	Description	Present Tariff Rate	Present Schedule 150	Present Schedule 155	Present Schedule 191 (DSM)	Present Schedule 199 (DSIT)	Total Present Rate
101	General	\$0.37515	\$0.56587	(\$0.07582)	\$0.05762	(\$0.00729)	\$0.91553
111	Large General						
	First 200	\$0.39516	\$0.56587	(\$0.07582)	\$0.05038	(\$0.00361)	\$0.93198
	Next 800	\$0.26278	\$0.56587	(\$0.07582)	\$0.05038	(\$0.00361)	\$0.79960
	1,0001 - 10,000	\$0.18817	\$0.56587	(\$0.07582)	\$0.05038	(\$0.00361)	\$0.72499
	Over 10,000	\$0.13901	\$0.56587	(\$0.07582)	\$0.05038	(\$0.00361)	\$0.67583
112	Large General						
	First 200	\$0.39516	\$0.56587		\$0.05038	(\$0.00361)	\$1.00780
	Next 800	\$0.26278	\$0.56587		\$0.05038	(\$0.00361)	\$0.87542
	1,0001 - 10,000	\$0.18817	\$0.56587		\$0.05038	(\$0.00361)	\$0.80081
	Over 10,000	\$0.13901	\$0.56587		\$0.05038	(\$0.00361)	\$0.75165
131	Interruptible	\$0.16647	\$0.46101	(\$0.08091)	\$0.04020	(\$0.00286)	\$0.58391
132	Interruptible	\$0.16647	\$0.46101		\$0.04020	(\$0.00286)	\$0.66482
146	Transportation	\$0.10559				(\$0.00159)	\$0.10400

Avista Utilities
 State of Idaho
 Recap of Rate Changes Including GRF

Previous Rate	Proposed Rate	Increase <Decrease>
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Schedule 150 (Gas Costs)

Schedule 101	\$0.56587	\$0.53481	(\$0.03106)
Schedule 111	\$0.56587	\$0.53481	(\$0.03106)
Schedule 112	\$0.56587	\$0.53481	(\$0.03106)
Schedule 131	\$0.46101	\$0.42305	(\$0.03796)
Schedule 132	\$0.46101	\$0.42305	(\$0.03796)
Schedule 146	\$0.00000	\$0.00000	\$0.00000

Schedule 156 (Gas Costs)

Schedule 101	\$0.00000	\$0.00000	\$0.00000
Schedule 111	\$0.00000	\$0.00000	\$0.00000
Schedule 112	\$0.00000	\$0.00000	\$0.00000
Schedule 131	\$0.00000	\$0.00000	\$0.00000
Schedule 132	\$0.00000	\$0.00000	\$0.00000
Schedule 146	\$0.00000	\$0.00000	\$0.00000

Schedule 155 (Gas Cost Amortization)

Schedule 101	(\$0.07582)	(\$0.02885)	\$0.04697
Schedule 111	(\$0.07582)	(\$0.02885)	\$0.04697
Schedule 112	\$0.00000	\$0.00000	\$0.00000
Schedule 131	(\$0.08091)	(\$0.03314)	\$0.04777
Schedule 132	\$0.00000	\$0.00000	\$0.00000
Schedule 146	\$0.00000	\$0.00000	\$0.00000

Combined Schedule 150, 155 & 156

Schedule 101	\$0.49005	\$0.50596	\$0.01591
Schedule 111	\$0.49005	\$0.50596	\$0.01591
Schedule 112	\$0.56587	\$0.53481	(\$0.03106)
Schedule 131	\$0.38010	\$0.38991	\$0.00981
Schedule 132	\$0.46101	\$0.42305	(\$0.03796)
Schedule 146	\$0.00000	\$0.00000	\$0.00000

Avista Utilities
 State of Idaho - Weighted Average Cost of Gas
 For 10/1/11 - 10/31/12 (13 Months)

	Annual System Billing Determinants (Therms)	13 Mos System Billing Determinants (Therms)	Rate Per Therm	System Total Cost	Idaho Demand Costs (1) 30.420%	Idaho Commodity Costs (2) 30.358%
NORTHWEST PIPELINE						
TF-2 Demand Charge	29,140,920	31,569,330	\$0.037984	\$1,199,129	\$364,775	
TF-2 Variable Transportation Charge		54,337,250	\$0.003000	\$163,012		\$49,487
SGS-1 Commodity Washington		38,336,470	\$0.390500	\$14,970,392		
Idaho		16,000,780	\$0.390500	\$6,248,305		\$6,248,305
TF-1 Demand Charge	559,621,000	606,256,083	\$0.037984	\$23,028,031	\$7,005,127	
End User Capacity Releases	2,555,000	2,767,917	\$0.037984	\$105,136		
Variable Transportation Charge		85,582,220	\$0.003190	\$273,007		\$82,879
CANADIAN PIPELINES						
TCPL Alberta (NOVA) Demand	345,375,290	378,263,670	\$0.01978	\$7,483,132	\$2,276,369	
TCPL - BC (ANG - FOOTHILLS)	52,564,015	57,028,356	\$0.06259	\$3,569,676	\$1,085,895	
GTN Demand		363,275,760	\$0.00908	\$3,298,474	\$1,003,396	
GTN Variable Transportation Charge		125,000,000	\$0.00058	\$72,500		\$22,010
Spectra Energy - Westcoast Energy	29,234,170	31,670,351	\$0.04456	\$1,411,199	\$429,287	
OTHER						
Gas Purchases		64,215,210	\$0.45703	\$29,348,277		\$29,348,277
Capacity Releases				(\$10,800,000)	(\$3,285,360)	
Terasen Reservation Credit				(\$6,500,000)		(\$1,973,270)
GRI Funding						\$32,000
Total		<u>118,552,460</u>		<u>\$73,870,270</u>	<u>\$8,879,489</u>	<u>\$33,809,688</u>
Estimated Therms					<u>79,746,077</u>	<u>80,216,022</u>
Proposed WACOG				\$0.53283	\$0.11135	\$0.42148
Gross Revenue Factor (GRF)				100.3718%	100.3718%	100.3718%
Proposed WACOG Including GRF				\$0.53481	\$0.11176	\$0.42305
Present Gas Costs Including GRF				\$0.56587	\$0.10486	\$0.46101
Rate Change Including GRF				(\$0.03106)	\$0.00690	(\$0.03796)

Note 1 - Based on 5 day peak study
 Note 2 - Annual Commodity Percentage

Sch 101 Sch 101
 Sch 111 Sch 111
 Sch 112 Sch 112
 Sch 131
 Sch 132

