

**Avista Corp.**

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Spokane, Washington 99220-0500  
Telephone 509-489-0500  
Toll Free 800-727-9170

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IDAHO PUBLIC  
UTILITIES COMMISSION



February 10, 2012

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

Case No. AVU-G-12-01/Advice No. 12-01-G

Attention: Ms. Jean D. Jewell

**I.P.U.C. No. 27 – Natural Gas Service**

Enclosed for filing with the Commission is the following revised tariff sheet:

**Seventeenth Revision Sheet 150** canceling **Substitute Sixteenth Revision Sheet 150**

The Company requests that the proposed tariff change be made effective on March 1, 2012, under modified procedure with less than statutory notice (IDAPA 31.01.01, Rule 123). This tariff sheet reflects the Company's Purchased Gas Adjustment (PGA).

If this tariff sheet is approved as filed, the Company's annual revenue will *decrease* by approximately \$4.1 million or about 6.00%. The proposed changes have no effect on the Company's net income. The Company believes that this filing is in compliance with Order 32370 which, when approving the Company's 2011 PGA, the Commission stated that "Avista promptly file an application to amend its WACOG should gas prices materially deviate from the presently approved \$0.41797 per therm" rate. Further information regarding this filing is included in the attached Application.

In accordance with IDAPA 31.01.01, Rule 125, Avista will provide notice of the decrease to its customers after Commission approval via a message on customer bills. Further, a press release will be issued on February 13, 2012, and a copy of which will be filed with the Commission. If approved, the average residential or small commercial customer using 62 therms per month will see a decrease of \$3.46 per month, or approximately 5.68%. The present bill for 62 therms is \$60.96 while the proposed bill is \$57.50. 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 black ink that reads "Kelly Norwood".

Kelly Norwood  
Vice President, State and Federal Regulation

Enclosures

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that I have served Avista Corporation dba Avista Utilities' filing AVU-G-12-01 with Tariff IPUC No. 27 Natural Gas Service by mailing a copy thereof, postage prepaid to the following:

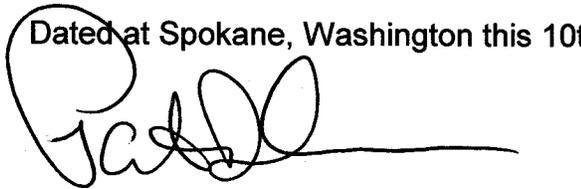
Jean D Jewell, Secretary  
Idaho Public Utilities Commission  
472 W. Washington Street  
Boise, ID 83720-5983

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 10th day of February 2012.



---

Patrick Ehrbar  
State & Federal Regulation

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF )  
AVISTA UTILITIES FOR AN ORDER APPROVING ) CASE: AVU-G-12-01  
A CHANGE IN NATURAL GAS RATES AND CHARGES )

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 out of period Purchased Gas Adjustment (PGA) filing be made effective on March 1, 2012 under modified procedure with less than statutory notice (IDAPA 31.01.01, Rule 123).

If approved as filed, the Company's annual revenue will *decrease* by approximately \$4.1 million or about 6.0%. 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.

Seventeenth Revision Sheet 150, which Applicant requests the Commission approve, is filed herewith as Exhibit "A". Also included in Exhibit "A" is a copy of Seventeenth Revision Sheet 150 with the changes underlined and a copy of Substitute Sixteenth Revision Sheet 150 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.

In accordance with IDAPA 31.01.01, Rule 125, Avista will provide notice of the decrease to its customers after Commission approval via a message on customer bills. 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 of Tariff Change, a copy attached hereto as Exhibit "B". The Company will also issue a press release which will be distributed to various informational agencies on Monday, February 13, 2012. A copy of the final Press Release will be filed with the Commission.

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 out of period Purchased Gas Cost Adjustment (PGA) to pass through to customers changes in the estimated cost of natural gas (Schedule 150) for the forthcoming eight months of March 2012 through October 2012. Below is a table summarizing the proposed changes reflected in this filing.

<u>Service</u>	<u>Sch. No.</u>	<u>Commodity Change per therm</u>	<u>Demand Change per thm</u>	<u>Total Sch. 150 Change</u>	<u>Total Rate Change per therm</u>	<u>Overall Percent Change</u>
General	101	(\$0.05581)	\$0.00000	(\$0.05581)	(\$0.05581)	(5.68%)
Lg. General	111	(\$0.05581)	\$0.00000	(\$0.05581)	(\$0.05581)	(7.30%)
Interruptible	131	(\$0.05581)	\$0.00000	(\$0.05581)	(\$0.05581)	(9.74%)

X.

**Commodity Costs - Background**

As shown in the table above, the estimated commodity cost (WACOG) change is a *decrease* of 5.6 cents per therm. The proposed WACOG is 36.2 cents per therm compared to the present WACOG of 41.8 cents per therm included in rates.

In its PGA filing in 2011, the Company used a 30-day historical average of forward prices ending August 22, 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 represented approximately 30% of estimated annual load requirements for the PGA year.

XI.

**Commodity Cost - Change**

On average, daily wholesale prices of natural gas have declined substantially over the past several months. While a majority of the WACOG is fixed either through fixed price hedges or storage injections, the one variable that is not fixed is the approximately 30% of estimated index/spot volumes. While we are now five months in to the present thirteen month PGA year (October 2011 through October 2012), the Company believes that it is in the best interest of customers to update the pricing of the remaining estimated index/spot volumes and pass those lower index prices to customers now through a lower overall rate. The Company also believes that this is in compliance with Order 32370 which, when approving the Company's 2011 PGA, the Commission stated that "Avista promptly file an application to amend its WACOG should gas prices materially deviate from the presently approved \$0.41797 per therm" rate.

XII.

**Demand Costs and Amortization Rate Change**

The Company is not proposing to make any changes to the other components of Schedule 150 (demand costs, variable transportation, etc.) nor is it requesting any changes regarding the current amortization rates (Schedule 155). Changes in those items will occur with the normal annual PGA filing which will be filed in September 2012.

XIII.

The average residential or small commercial customer using 62 therms per month will see an *decrease* of \$3.46 per month, or approximately 5.68%. The present bill for 62 therms is \$60.96 while the proposed bill is \$57.50.

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 March 1, 2012 with less than statutory notice. The Applicant therefore, pursuant to Rule 135 (IDAPA 31.01.01), is

requesting that the Commission by order approves the earlier effective date for good cause shown (lower natural gas rates for customers).

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 March 1, 2012.

Dated at Spokane, Washington, this 10<sup>th</sup> day of February 2012.

AVISTA UTILITIES  
BY

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

Kelly O. Norwood  
Vice President, State and Federal Regulation

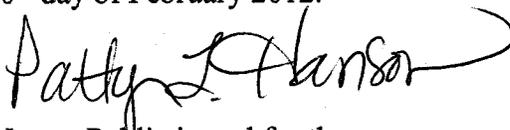
STATE OF WASHINGTON )  
 ) ss.  
County of Spokane )

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 10<sup>th</sup> day of February 2012.



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

**AVISTA UTILITIES**

Case No. AVU-G-12-01

**EXHIBIT "A"**

**Proposed Tariff Sheets**

**February 10, 2012**

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 47.392¢ per therm in all blocks of these rate schedules.
- (b) The rates of interruptible Schedules 131 and 132 are to be increased by 36.216¢ 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¢	36.216¢	47.392¢
Schedules 111 and 112	11.176¢	36.216¢	47.392¢
Schedules 131 and 132	.000¢	36.216¢	36.216¢

**The above amounts include a gross revenue factor.**

	Demand	Commodity	Total
Schedules 101	11.135¢	36.082¢	47.217¢
Schedules 111 and 112	11.135¢	36.082¢	47.217¢
Schedules 131 and 132	.000¢	36.082¢	36.082¢

**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 February 10, 2012

Effective March 1, 2012

Issued by Avista Utilities

By *Kelly Norwood* 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 47.392¢ per therm in all blocks of these rate schedules.
- (b) The rates of interruptible Schedules 131 and 132 are to be increased by 36.216¢ 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¢	<u>36.216¢</u>	<u>47.392¢</u>
Schedules 111 and 112	11.176¢	<u>36.216¢</u>	<u>47.392¢</u>
Schedules 131 and 132	.000¢	<u>36.216¢</u>	<u>36.216¢</u>

**The above amounts include a gross revenue factor.**

	Demand	Commodity	Total
Schedules 101	11.135¢	<u>36.082¢</u>	<u>47.217¢</u>
Schedules 111 and 112	11.135¢	<u>36.082¢</u>	<u>47.217¢</u>
Schedules 131 and 132	.000¢	<u>36.082¢</u>	<u>36.082¢</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 February 10, 2012

Effective March 1, 2012

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 ~~52.973¢~~ per therm in all blocks of these rate schedules.
- (b) The rates of interruptible Schedules 131 and 132 are to be increased by ~~41.797¢~~ 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¢	<del>41.797¢</del>	<del>52.973¢</del>
Schedules 111 and 112	11.176¢	<del>41.797¢</del>	<del>52.973¢</del>
Schedules 131 and 132	.000¢	<del>41.797¢</del>	<del>41.797¢</del>

**The above amounts include a gross revenue factor.**

	Demand	Commodity	Total
Schedules 101	11.135¢	<del>41.642¢</del>	<del>52.777¢</del>
Schedules 111 and 112	11.135¢	<del>41.642¢</del>	<del>52.777¢</del>
Schedules 131 and 132	.000¢	<del>41.642¢</del>	<del>41.642¢</del>

**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 23, 2011

Effective October 1, 2011

Issued by Avista Utilities  
 By

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

**AVISTA UTILITIES**

Case No. AVU-G-12-01

**EXHIBIT "B"**

**Notice of Public Applicant's Proposed Tariffs**

February 10, 2012

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.

Seventeenth Revision Sheet 150      canceling      Substitute Sixteenth Revision Sheet 150

Seventeenth Revision Sheet 150 updates the forward-looking cost of natural gas purchased for customer usage.

These tariffs request an annual revenue *decrease* of approximately \$4.1 million, or about 6.00%.

This request is a Purchased Gas Cost Adjustment (PGA) that is typically 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 *decrease* of approximately \$3.46 per month, or about 5.68%. Larger commercial customers served under Schedules 111 can expect to see an average *decrease* of about 7.30%, with the higher percentages due to lower base rates. However, actual customer decreases will vary based on therms consumed.

This filing requests an effective date of March 1, 2012.

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

February 13, 2012

**AVISTA UTILITIES**

Case No. AVU-G-12-01

**EXHIBIT "C"**

**Workpapers**

February 10, 2012

Avista Utilities  
 State of Idaho  
 Calculation of Overall Rate Change

	GRC Annual Terms (Note 1)	Sch 150 Gas Cost Per Therm Inc <Dec>	Sch 150 Gas Cost Annual Inc <Dec>	Sch 156 Gas Cost Per Therm Inc <Dec>	Sch 156 Gas Cost Annual Inc <Dec>	Sch 155 Amortization Per Therm Inc <Dec>	Sch 155 Amortization Annual Inc <Dec>	Sch 155 Amortization Direct Chg <Refunds>	Total Sch 155 Amortization Inc <Dec>	Total Inc <Dec>
Schedule 101	54,179,195	(\$0.05581)	(\$3,023,741)							(\$3,023,741)
Schedule 111/112	19,230,334	(\$0.05581)	(\$1,073,245)							(\$1,073,245)
Schedule 131 (currently no customers)		(\$0.05581)								
Schedule 132	437,629	(\$0.05581)	(\$24,424)							(\$24,424)
Schedule 146	3,687,960									
Customer 1										
Customer 2										
Customer 3										
Customer 4										
	<u>77,535,118</u>		<u>(\$4,121,410)</u>							<u>(\$4,121,410)</u>
										<u>\$68,644,000</u>
										<u>-6.00%</u>

Total Annual GRC Weather Adjusted Revenue (Note 1)

Percent of Increase <Decrease>

Note 1 - From most recent General Rate Case (AVU-G-11-01)

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	\$0.91464	\$56.71	\$0.85883	\$53.25		
Basic Charge		\$4.25	\$4.25		\$4.25		
			<u>\$60.96</u>		<u>\$57.50</u>	(\$3.46)	-5.68%
111	2,023						
First 200		\$0.92215	\$184.43	\$0.86634	\$173.27		
Next 800		\$0.79000	\$632.00	\$0.73419	\$587.36		
1,0001 - 10,000		\$0.71421	\$730.64	\$0.65840	\$673.54		
Over 10,000		\$0.66427		\$0.60846			
			<u>\$1,547.07</u>		<u>\$1,434.17</u>	(\$112.90)	-7.30%
131		\$0.57306		\$0.51725			-9.74%
132	36,469	\$0.60620	<u>\$22,107.51</u>	\$0.55039	<u>\$20,072.17</u>	(\$2,035.33)	-9.21%

Avista Utilities  
 State of Idaho  
 Recap of Changes To Schedule 150  
 Anticipated Effect Date 3/1/12

## CENTS PER THERM

	Commodity	Demand Charge	Total
<b>Schedule 101</b>			
Current Rate	0.41797	0.11176	0.52973
Proposed Incr<Decr>	(0.05581)		(0.05581)
Proposed Rate	0.36216	0.11176	0.47392
<b>Schedule 111</b>			
Current Rate	0.41797	0.11176	0.52973
Proposed Incr<Decr>	(0.05581)		(0.05581)
Proposed Rate	0.36216	0.11176	0.47392
<b>Schedule 112</b>			
Current Rate	0.41797	0.11176	0.52973
Proposed Incr<Decr>	(0.05581)		(0.05581)
Proposed Rate	0.36216	0.11176	0.47392
<b>Schedule 131</b>			
Current Rate	0.41797		0.41797
Proposed Incr<Decr>	(0.05581)		(0.05581)
Proposed Rate	0.36216		0.36216
<b>Schedule 132</b>			
Current Rate	0.41797		0.41797
Proposed Incr<Decr>	(0.05581)		(0.05581)
Proposed Rate	0.36216		0.36216
<b>Schedule 146</b>			
Current Rate			
Proposed Incr<Decr>			
Proposed Rate			

Avista Utilities  
 State of Idaho  
 Recap of Rate Changes Including GRF

	Previous Rate	Proposed Rate	Increase <Decrease>
<b>Schedule 150 (Gas Costs)</b>			
Schedule 101	\$0.52973	\$0.47392	(\$0.05581)
Schedule 111	\$0.52973	\$0.47392	(\$0.05581)
Schedule 112	\$0.52973	\$0.47392	(\$0.05581)
Schedule 131	\$0.41797	\$0.36216	(\$0.05581)
Schedule 132	\$0.41797	\$0.36216	(\$0.05581)
Schedule 146			
<b>Schedule 155 (Gas Cost Amortization)</b>			
Schedule 101	(\$0.02885)	(\$0.02885)	
Schedule 111	(\$0.02885)	(\$0.02885)	
Schedule 112			
Schedule 131	(\$0.03314)	(\$0.03314)	
Schedule 132			
Schedule 146			
<b>Combined Schedule 150, 155 &amp; 156</b>			
Schedule 101	\$0.50088	\$0.44507	(\$0.05581)
Schedule 111	\$0.50088	\$0.44507	(\$0.05581)
Schedule 112	\$0.52973	\$0.47392	(\$0.05581)
Schedule 131	\$0.38483	\$0.32902	(\$0.05581)
Schedule 132	\$0.41797	\$0.36216	(\$0.05581)
Schedule 146			

Avista Utilities  
 State of Idaho  
 Tariffed Gas Cost Change

	Schedule 101	Schedule 111/112	Schedule 131/132	Schedule 146
<b>Demand Rate</b>				
Current Demand Rates	\$0.11135	\$0.11135		
Gross Revenue Factor From Last PGA	100.3718%	100.3718%	100.3718%	100.3718%
Current Tariffed Demand Rates	\$0.11176	\$0.11176		
<b>Total Proposed Demand Rate</b>				
Total Proposed Demand Rate	\$0.11135	\$0.11135		
Revenue Adjustment Factor	100.3718%	100.3718%	100.3718%	100.3718%
Proposed Tariffed Demand Rate	\$0.11176	\$0.11176		
<b>Incr &lt;Decr&gt; in Tariffed Demand Rate</b>				
<b>Commodity Rate</b>				
Current Commodity Rate (From Page 6, AVU-G-11-04)	\$0.41642	\$0.41642	\$0.41642	
Gross Revenue Factor From Last PGA	100.3718%	100.3718%	100.3718%	100.3718%
Current Tariffed Commodity Rate	\$0.41797	\$0.41797	\$0.41797	
<b>Proposed Commodity Rate Per Therm</b>				
Proposed Commodity Rate Per Therm	\$0.36082	\$0.36082	\$0.36082	
Revenue Adjustment Factor	100.3718%	100.3718%	100.3718%	100.3718%
Proposed Tariffed Commodity Rate	\$0.36216	\$0.36216	\$0.36216	
<b>Incr &lt;Decr&gt; in Tariffed Commodity</b>				
Incr <Decr> in Tariffed Commodity	(\$0.05581)	(\$0.05581)	(\$0.05581)	
<b>Total Current Tariff Gas Cost Rates</b>				
Total Current Tariff Gas Cost Rates	\$0.52973	\$0.52973	\$0.41797	
<b>Total Proposed Tariff Gas Cost Rates</b>				
Total Proposed Tariff Gas Cost Rates	\$0.47392	\$0.47392	\$0.36216	

Avista Utilities  
State of Idaho  
Recap of WACOG Change

	Total	Demand	Commodity
Present WACOG	\$0.52777	\$0.11135	\$0.41642
Gross Revenue Adjustment (GRF)	\$1.00372	\$1.00372	\$1.00372
Total Present WACOG Including GRF	<u>\$0.52973</u>	<u>\$0.11176</u>	<u>\$0.41797</u>
Proposed WACOG	\$0.47217	\$0.11135	\$0.36082
Gross Revenue Adjustment (GRF)	\$1.00372	\$1.00372	\$1.00372
Total Proposed WACOG Including GRF	<u>\$0.47392</u>	<u>\$0.11176</u>	<u>\$0.36216</u>
WACOG Rate Change	<u>(\$0.05581)</u>		<u>(0.05581)</u>

Avista Utilities  
 State of Idaho  
 Total Gas Costs

	Demand	Commodity	Total
<b>Proposed Gas Costs Before GRF</b>			
Schedules 101 - 112	\$0.11135	\$0.36082	\$0.47217
Schedules 131 - 132		\$0.36082	\$0.36082
<b>Present Gas Costs Before GRF</b>			
Schedules 101 - 112	\$0.11135	\$0.41642	\$0.52777
Schedules 131 - 132		\$0.41642	\$0.41642
<b>Increase &lt;Decrease&gt; Before GRF</b>			
Schedules 101 - 112		(\$0.05560)	(\$0.05560)
Schedules 131 - 132		(\$0.05560)	(\$0.05560)
<b>Proposed Gas Costs Including GRF</b>			
Schedules 101 - 112	\$0.11176	\$0.36216	\$0.47392
Schedules 131 - 132		\$0.36216	\$0.36216
<b>Present Gas Costs Including GRF</b>			
Schedules 101 - 112	\$0.11176	\$0.41797	\$0.52973
Schedules 131 - 132		\$0.41797	\$0.41797
<b>Increase &lt;Decrease&gt; Including GRF</b>			
Schedules 101 - 112		(\$0.05581)	(\$0.05581)
Schedules 131 - 132		(\$0.05581)	(\$0.05581)

Avista Utilities  
 State of Idaho  
 Gas Cost Change

	Schedule 101	Schedule 111/112	Schedule 131/132
<b>Demand Rate (Including Gross Revenue Factor)</b>			
Current Demand Rate	\$0.11176	\$0.11176	
Total Demand Increase <Decrease>			
Proposed Tariffed Demand Rate	<u>\$0.11176</u>	<u>\$0.11176</u>	
<b>Commodity Rate (Including Gross Revenue Factor)</b>			
Current Commodity Rate	\$0.41797	\$0.41797	\$0.41797
Total Commodity Increase <Decrease>	(\$0.05581)	(\$0.05581)	(\$0.05581)
Proposed Tariffed Commodity Rate	<u>\$0.36216</u>	<u>\$0.36216</u>	<u>\$0.36216</u>
<b>Demand Rate (Excluding Gross Revenue Factor)</b>			
Current Demand Rate	\$0.11135	\$0.11135	
Total Demand Increase <Decrease>			
Proposed Demand Rate	<u>\$0.11135</u>	<u>\$0.11135</u>	
<b>Commodity Rate (Excluding Gross Revenue Factor)</b>			
Current Commodity Rate	\$0.41642	\$0.41642	\$0.41642
Total Commodity Increase <Decrease>	(\$0.05560)	(\$0.05560)	(\$0.05560)
Proposed Commodity Rate	<u>\$0.36082</u>	<u>\$0.36082</u>	<u>\$0.36082</u>
<b>Total Current Gas Cost Rate</b>	<u>\$0.52777</u>	<u>\$0.52777</u>	<u>\$0.41642</u>
<b>Total Current Tariffed Gas Cost Rate</b>	<u>\$0.52973</u>	<u>\$0.52973</u>	<u>\$0.41797</u>
<b>Total Proposed Gas Cost Rate</b>	<u>\$0.47217</u>	<u>\$0.47217</u>	<u>\$0.36082</u>
<b>Total Proposed Tariffed Gas Cost Rate</b>	<u>\$0.47392</u>	<u>\$0.47392</u>	<u>\$0.36216</u>

Avista Utilities  
 State of Idaho  
 Estimated Commodity WACOG  
 (Based on 30 Day Average Forward Price at 2/05/2012)

	Executed Hedged Volumes	Planned Hedged Volumes	Index Volumes	Idaho Purchased Volumes	Transport Fuel Volumes	Total Idaho Delivered Volumes	Cost of Executed Hedged Volumes	Cost of Planned Hedged Volumes	Total Cost of Hedged Volumes	Cost of Index Volumes	Net Idaho Comm. Costs	Idaho Purchase WACOG
October 2011	2,774,020		2,730,220	5,504,240	(85,100)	5,419,140	\$1,356,225		\$1,356,225	\$996,388	\$2,352,613	\$0.43413
November	4,755,370	507,080	4,402,370	9,664,820	(143,300)	9,521,520	\$2,484,231	\$191,436	\$2,675,667	\$1,661,998	\$4,337,665	\$0.45556
December	4,801,180	511,970	1,929,020	7,242,170	(137,000)	7,105,170	\$2,508,160	\$203,163	\$2,711,323	\$765,486	\$3,476,809	\$0.48934
January	4,625,840	493,270	439,630	5,558,740	(123,120)	5,435,620	\$2,416,562	\$198,403	\$2,614,965	\$176,828	\$2,791,793	\$0.51361
February	3,984,860	440,060	2,518,690	6,943,610	(113,040)	6,830,570	\$2,093,692	\$177,182	\$2,270,874	\$1,014,107	\$3,284,981	\$0.48092
March	3,820,540	350,630	1,962,770	6,133,940	(66,000)	6,067,940	\$2,069,614	\$140,085	\$2,209,699	\$481,860	\$2,691,559	\$0.44357
April	2,212,350	790,130	2,886,250	5,888,730	(84,720)	5,804,010	\$926,194	\$309,250	\$1,235,444	\$705,688	\$1,941,132	\$0.33445
May	1,296,960	648,480	1,587,950	3,533,390	(49,780)	3,483,610	\$530,231	\$251,668	\$781,899	\$390,159	\$1,172,058	\$0.33645
June	793,600	634,880	933,600	2,362,080	(32,960)	2,329,120	\$320,791	\$247,222	\$568,013	\$230,786	\$798,799	\$0.34296
July	903,690	722,950	487,180	2,113,820	(29,950)	2,083,870	\$369,246	\$283,455	\$652,701	\$122,282	\$774,983	\$0.37190
August	889,240	711,390	532,560	2,133,190	(30,220)	2,102,970	\$363,345	\$280,508	\$643,853	\$135,590	\$779,443	\$0.37064
September	881,170	704,940	1,018,930	2,605,040	(36,190)	2,568,850	\$360,046	\$279,319	\$639,365	\$261,356	\$900,721	\$0.35063
October	2,076,800	519,200	2,945,640	5,541,640	(78,830)	5,462,810	\$878,834	\$208,311	\$1,087,145	\$776,471	\$1,863,616	\$0.34115
	33,815,620	7,034,980	24,374,810	65,225,410	(1,010,210)	64,215,200	\$16,677,171	\$2,770,002	\$19,447,173	\$7,718,999	\$27,166,172	\$0.42305

Previous Net Comm. Costs  
 (From Page 7, Docket AVU-G-11-04)  
 Decrease in Estimated Costs  
 Estimated Volumes 4/12 - 10/12  
 Per Therm Decrease in Commodity Cost

\$28,942,190  
 (\$1,776,018)  
 31,945,538  
 (\$0,05560)

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	\$0.38679	\$0.47392	(\$0.02885)		\$0.02697		\$0.85883
111	Large General							
	First 200	\$0.40806	\$0.47392	(\$0.02885)		\$0.01321		\$0.86634
	Next 800	\$0.27591	\$0.47392	(\$0.02885)		\$0.01321		\$0.73419
	Next 9,000	\$0.20012	\$0.47392	(\$0.02885)		\$0.01321		\$0.65840
	Over 10,000	\$0.15018	\$0.47392	(\$0.02885)		\$0.01321		\$0.60846
112	Large General							
	First 200	\$0.40806	\$0.47392			\$0.01321		\$0.89519
	Next 800	\$0.27591	\$0.47392			\$0.01321		\$0.76304
	Next 9,000	\$0.20012	\$0.47392			\$0.01321		\$0.68725
	Over 10,000	\$0.15018	\$0.47392			\$0.01321		\$0.63731
131	Interruptible	\$0.17626	\$0.36216	(\$0.03314)		\$0.01197		\$0.51725
132	Interruptible	\$0.17626	\$0.36216			\$0.01197		\$0.55039
146	Transportation	\$0.10671						\$0.10671

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	\$0.38679	\$0.52973	(\$0.02885)	\$0.02697		\$0.91464
111	Large General						
	First 200	\$0.40806	\$0.52973	(\$0.02885)	\$0.01321		\$0.92215
	Next 800	\$0.27591	\$0.52973	(\$0.02885)	\$0.01321		\$0.79000
	1,0001 - 10,000	\$0.20012	\$0.52973	(\$0.02885)	\$0.01321		\$0.71421
	Over 10,000	\$0.15018	\$0.52973	(\$0.02885)	\$0.01321		\$0.66427
112	Large General						
	First 200	\$0.40806	\$0.52973		\$0.01321		\$0.95100
	Next 800	\$0.27591	\$0.52973		\$0.01321		\$0.81885
	1,0001 - 10,000	\$0.20012	\$0.52973		\$0.01321		\$0.74306
	Over 10,000	\$0.15018	\$0.52973		\$0.01321		\$0.69312
131	Interruptible	\$0.17626	\$0.41797	(\$0.03314)	\$0.01197		\$0.57306
132	Interruptible	\$0.17626	\$0.41797		\$0.01197		\$0.60620
146	Transportation	\$0.10671					\$0.10671

Avista Utilities  
 State of Idaho  
 Budget Information

	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Total 3/12 - 10/12
Therms									
Schedule 101	6,073,804	4,385,877	2,357,918	1,508,835	1,254,356	1,418,985	1,570,635	3,576,263	22,146,673
Schedule 111	1,988,678	1,372,997	1,086,384	792,190	808,245	651,268	977,272	1,854,796	9,531,830
Schedule 132	47,785	45,140	39,316	28,109	21,270	32,723	20,934	31,758	267,035
Total Sales	8,110,267	5,804,014	3,483,618	2,329,134	2,083,871	2,102,976	2,568,841	5,462,817	31,945,538
Schedule 146									
Schedule 147									
Schedule 159									
Schedule 169									
	8,110,267	5,804,014	3,483,618	2,329,134	2,083,871	2,102,976	2,568,841	5,462,817	31,945,538

Avista Utilities  
Idaho Gas Tracker  
Revenue Adjustment Factor  
From General Rate Case AVU-G-11-01, Filed 7/05/11

Commission Fees	\$0.002039
Uncollectibles	<u>\$0.001665</u>
	<u>\$0.003704</u>
Calculation of Revenue Adjustment Factor	
$1 / (1 - 0) =$	<u>1.003718</u>