

**Avista Corp.**  
1411 East Mission PO Box 3727  
Spokane, Washington 99220-3727  
Telephone 509-489-0500  
Toll Free 800-727-9170



October 10, 2008

**Advice No. 08-07-G - Supplemental**

Oregon Public Utility Commission  
550 Capitol Street, NE  
Salem, OR 97310-1380

Attention: Filing Center

Avista Utilities submits an original and fifteen (15) copies of the following listed tariff sheets applicable to its Oregon natural gas operations along with three (3) copies of the workpapers. It is requested that these sheets become effective with less than statutory notice on November 1, 2008.

<b><u>Oregon PUC Sheet No.</u></b>	<b><u>Title of Sheet</u></b>	<b><u>Canceling Oregon PUC Sheet No.</u></b>
Third Revision Tariff Sheet B	Table of Contents	Second Revision Tariff Sheet B
Supplemental Second Revision Tariff Sheet 410	Schedule No. 410 General Residential Natural Gas Service	Second Revision Tariff Sheet 410
Supplemental First Revision Tariff Sheet 420	Schedule No. 420 General Natural Gas Service	First Revision Tariff Sheet 420
Supplemental First Revision Tariff Sheet 424	Schedule No. 424 Large General and Industrial Natural Gas Service	First Revision Tariff Sheet 424
First Revision Tariff Sheet 424A	Schedule No. 424A Large General and Industrial Natural Gas Service	Original Tariff Sheet 424A

Supplemental First Revision Tariff Sheet 430	Schedule No. 430 Emergency Institutional Service	First Revision Tariff Sheet 430
Supplemental First Revision Tariff Sheet 440	Schedule No. 440 Interruptible Natural Gas Service For Large Commercial and Industrial	First Revision Tariff Sheet 440
First Revision Tariff Sheet 440A	Schedule No. 440A Interruptible Natural Gas Service For Large Commercial and Industrial	Original Tariff Sheet 440A
First Revision Tariff Sheet 440B	Schedule No. 440B Interruptible Natural Gas Service For Large Commercial and Industrial	Original Tariff Sheet 440B
Supplemental First Revision Tariff Sheet 444	Schedule No. 444 Seasonal Natural Gas Service	First Revision Tariff Sheet 444
First Revision Tariff Sheet 444A	Schedule No. 444A Seasonal Natural Gas Service	Original Tariff Sheet 444A
Supplemental First Revision Tariff Sheet 455	Schedule No. 455 Firm Transportation of Customer Owned Gas For Large General and Industrial Service	First Revision Tariff Sheet 455
Supplemental First Revision Tariff Sheet 456	Schedule No. 456 Interruptible Transportation of Customer Owned Gas For Large Commercial and Industrial Service	First Revision Tariff Sheet 456
First Revision Tariff Sheet 456A	Schedule No. 456A Interruptible Transportation of Customer Owned Gas For Large Commercial and Industrial Service	Original Tariff Sheet 456A

First Revision Tariff Sheet 456B	Schedule No. 456B Interruptible Transportation of Customer Owned Gas For Large Commercial and Industrial Service	Original Tariff Sheet 456B
First Revision Tariff Sheet 456C	Schedule No. 456C Interruptible Transportation of Customer Owned Gas For Large Commercial and Industrial Service	Original Tariff Sheet 456C
Supplemental First Revision Tariff Sheet 461	Schedule No. 461 Purchased Gas Cost Adjustment Provision - Oregon	First Revision Tariff Sheet 461
Supplemental First Revision Tariff Sheet 461A	Schedule No. 461A Purchased Gas Cost Adjustment Provision - Oregon	First Revision Tariff Sheet 461A
Supplemental First Revision Tariff Sheet 461B	Schedule No. 461B Purchased Gas Cost Adjustment Provision - Oregon	First Revision Tariff Sheet 461B
Supplemental First Revision Tariff Sheet 461C	Schedule No. 461C Purchased Gas Cost Adjustment Provision - Oregon	First Revision Tariff Sheet 461C
Supplemental First Revision Tariff Sheet 496	Schedule No. 496 Margin Reduction Surcharge	First Revision Tariff Sheet 496

This filing is a Purchased Gas Cost Adjustment (PGA) to change rates within Avista Utilities' natural gas service schedules to reflect the projected cost of gas pursuant to tariff Schedule 461, Purchased Gas Cost Adjustment Provision. Schedule 461 allows the Company to adjust the rates within its service schedules for changes in: 1) the estimated purchased gas costs for the forthcoming year, and 2) the amortization rate(s) pertaining to the PGA balancing account, as well as other deferred accounts related to costs associated with DSM programs. The following table summarizes the proposed changes by rate schedule reflected in this filing:

<u>Service</u>	<u>Schedule No.</u>	<u>Commodity Change per Therm</u>	<u>Demand Change per Therm</u>	<u>Amortization Change per Therm</u>	<u>Total Rate Change per Therm</u>	<u>Percent Change</u>
Residential	410	\$0.071	\$0.005	(\$0.138)	(\$0.062)	(4.1%)
General	420	\$0.071	\$0.005	(\$0.139)	(\$0.063)	(4.6%)
Lg. General	424	\$0.071	\$0.005	(\$0.110)	(\$0.034)	(2.7%)
Interruptible	440	\$0.071	-	(\$0.103)	(\$0.032)	(3.4%)
Seasonal	444	\$0.071	\$0.005	(\$0.110)	(\$0.034)	(2.8%)

### **Commodity Costs**

As shown in the table above, the estimated commodity cost (WACOG) change is an increase of approximately \$0.071 per therm. The proposed WACOG is \$0.858 compared to the present WACOG of \$0.786 included in rates. This past spring, wholesale natural gas prices were at record levels (for that time of the year). Wholesale prices have fallen considerably since early July and the Company has executed additional hedges during that time for the coming year.

Approximately 68% of estimated annual load requirements for the PGA year (Nov '08-Oct '09) have been hedged at a fixed price, comprised of: 1) approximately 34% of volumes hedged for a term of one year or less, 2) approximately 25% comprised of long-term hedges, and 3) approximately 9% from underground storage. Through September, all scheduled hedge volumes for the PGA year have been executed. The weighted average price for all executed hedges (including long-term and discretionary hedges) for the PGA year is \$8.87 per decatherm (\$0.887 per therm).

The Company used a 60-day (ending September 30th) historical average of forward prices by supply basin to determine the estimated cost associated with unhedged volumes. These unhedged volumes represent approximately 32% of annual volumes at the time of this filing and the annual weighted average price for these unhedged volumes is \$6.71 per dekatherm (\$0.671 per therm).

During the forthcoming PGA year, the Company has increased its available underground storage capacity from 4% to 9% of annual load requirements. This increase was accomplished through: 1) an additional 2 million therms of Mist capacity released by Northwest Natural, and 2) an additional 2.5 million therms of (Company-owned) Jackson Prairie expansion capacity. This incremental storage capacity is described below. The estimated weighted average cost (injections through September) for all storage volumes is \$7.82.

The Company continuously reviews its procurement strategy and makes changes that it believes are appropriate. The Company meets with the Commission Staff several times throughout the year to discuss the state of the wholesale market and the status of the Company's procurement plan. In addition, the Company communicates with the Staff when it believes it makes sense to deviate from its procurement plan or as opportunities arise in the market. Earlier this year, the Company modified its procurement plan for the Nov '08-Oct '09 PGA year to: 1) reduce the percentage of scheduled short-term hedges (one year or less), and 2) change the methodology used to execute long-term hedges. Long-term hedges are more discretionary than in the past,

utilizing several price targets established early in the year. The hedge volumes associated with these targets increase as the price decreases. Additionally, the long-term hedges are for a two-year period rather than a three-year period, with the two-year period including the '09-'10 and '10-'11 PGA years. As of the date of this filing, the Company has executed one of the potential four long-term hedges for this period.

While the Company's procurement plan generally uses a diversified approach to procure gas for the coming year, the Company has and will continue to exercise discretion and flexibility based on changes in the wholesale market. In addition to the scheduled short-term hedges that were completed by early September, the Company established three additional discretionary hedges in mid-September. These discretionary hedges have price targets for execution and are for December – February volumes this coming winter. As of the date of this filing, two of the three of these discretionary hedges have been executed, representing 2% of annual load requirements.

### **Demand Costs**

The Demand Cost shown in the table represents the projected cost of pipeline transportation to the Company's system, as well as some fixed costs associated with gas storage. A significant item affecting demand costs for the coming year is a 12.1% increase in the rate applicable to the Medford Lateral effective November 1. Per contract, the rate change applicable to the Medford Lateral is based on the weighted average change in Pacificorp's Oregon residential rates during the prior twelve months. This increase is approximately \$900,000 annually, or about a one cent per therm increase in the demand charge included in retail rates. There were a number of other items affecting demand costs, some positive and some negative, with the net effect of these other items reducing demand costs by about one-half cent per therm.

Related to gas storage, in June 2007, the Company executed a three-year storage agreement with Northwest Natural Gas (NWN) for capacity at their Mist storage facility. The agreement provided the Company with an additional 3 million therms of underground storage. During 2008, the Company contracted with NWN for an additional 2 million therms of storage capacity for the remaining two years of the 2007 agreement. The Company will also have an additional 2.5 million therms of Jackson Prairie capacity available for its Oregon customers this next winter, bringing total underground storage capacity to 9% of annual load requirements (22% of load requirements during Jan.-Mar. withdrawal period).

### **Amortization of Deferral Accounts**

As shown in the table above, the increase in the commodity cost is more than offset by the proposed decrease in the amortization rate(s). For all the sales service schedules, there is a decrease in the amortization rate of approximately 10 cents per therm attributable to the change in the deferred commodity (gas cost) balance. The deferred commodity balance reflected in the 2007 PGA filing was a positive \$4.1 million which resulted in a surcharge rate of 4.9 cents per therm. This balance/rate mostly reflected a deferred gas cost balance from 2006, which was amortized over a two-year period in the 2006 and 2007 PGA filings. The Company estimates that the deferred commodity balance will be a *refund* balance of \$4.8 million at November 2008. This refund balance results from: 1) lower gas prices this past winter compared to those reflected in the 2007 PGA filing, 2) higher actual sales volumes this past year compared to the volumes

reflected in the 2007 filing, and 3) higher pipeline capacity release and optimization revenues (offset to gas costs) than the level estimated in the 2007 filing.

The difference in the total amortization rate decrease for Schedules 410 and 420 (residential and commercial customers), as compared to Schedules 424 and 444, is caused by a reduction (2.9 cents/therm) in the "Margin Reduction" amortization rate set forth on Schedule 496. Schedule 496 was approved by the Commission as part of the company's 2007 PGA filing to amortize the deferred revenue resulting from rate decreases to Interruptible Sales Schedule 440 and Transportation Service Schedule 456 in Docket UG-153. The Company continued to defer revenue resulting from the margin reduction for these Schedules until April 1, 2008, at which time new general rates became effective resulting from UG-181. The proposed rate under Schedule 496 is estimated to recover the remaining balance of \$471,000 during the forthcoming PGA year.

### **Other Information**

Approval of this filing would reflect an overall annual revenue decrease of \$5,565,000, or 4.1% to the Company. The proposed monthly bill decrease for residential customers served under Schedule 410 is \$3.28, or a decrease of 4.1%, based on average monthly usage of 53 therms. The average monthly bill under present rates is \$80.07 and is \$76.79 under proposed rates. A customer notice, included herewith, will be published in the major newspapers throughout the Company's service area during the week of October 12<sup>th</sup>.

Unrelated to this filing, the Company will also revise its rates November 1 to reflect "Phase 2" of the UG-181 settlement agreement. Below is a table showing the combined effect of the proposed PGA and general rate change by Schedule.

<u>Schedule</u>	<u>Proposed PGA</u>	<u>General (UG-181)</u>	<u>Total</u>
Residential 410	(4.1%)	1.1%	(3.0%)
General Svc. 420	(4.6%)	1.2%	(3.4%)
Lg. General Svc. 424	(2.7%)	(1.2%)	(3.9%)
Interruptible 440	(3.4%)	(0.9%)	(4.3%)
Seasonal 424	(2.8%)	(1.5%)	(4.3%)
Transportation 456	0.0%	2.0%	2.0%
Overall	(4.1%)	1.0%	(3.1%)

Please direct any questions regarding this filing to Brian Hirschhorn at (509) 495-4723 or Theresa Melvin at (509) 495-8165.

Sincerely,



Kelly O. Norwood, Vice President  
State and Federal Regulation

Enc.

## CERTIFICATE OF SERVICE

I **HEREBY CERTIFY** that I have this day served Avista Utilities', a division of Avista Corp, revised filing to incorporate the tracking rates into the appropriate schedule upon the parties listed below by mailing a copy thereof, postage prepaid and by electronic mail or CD.

Chad M. Stokes  
Cable Huston Benedict  
Haagensen & Lloyd, LLP  
1001 SW 5th, Suite 2000  
Portland, OR 97204-1136  
[cstokes@cablehuston.com](mailto:cstokes@cablehuston.com)

Citizens' Utilities Board  
610 SW Broadway, Suite 308  
Portland, OR 97205-3404  
[Bob@OregonCUB.org](mailto:Bob@OregonCUB.org)

Ms. Paula Pyron  
Executive Director  
Northwest Industrial Gas Users  
4113 Wolfberry Court  
Lake Oswego, OR 97035  
[ppyron@nwiqu.org](mailto:ppyron@nwiqu.org)

I declare under penalty of perjury that the foregoing is true and correct.

Dated at Spokane, Washington this 10th day of October, 2008.

  
\_\_\_\_\_  
Patty Olsness  
Rates Coordinator

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON  
550 CAPITOL ST NE  
SALEM, OR 97310-1380

IN THE MATTER OF THE APPLICATION OF UTILITY L.S.N. APPLICATION  
)  
Avista Corporation, DBA Avista Utilities ) NO. Supplemental 08-07-G\_\_\_\_\_  
)  
 (UTILITY COMPANY)  
 TO WAIVE STATUTORY NOTICE. )

NOTE: ATTACH EXHIBIT IF SPACE IS INSUFFICIENT.

1. GENERAL DESCRIPTION OF THE PROPOSED SCHEDULE (S) ADDITION, DELETION, OR CHANGE. (SCHEDULE INCLUDES ALL RATES, TOLLS AND CHARGES FOR SERVICE AND ALL RULES AND REGULATIONS AFFECTING THE SAME)  
 Adjust the weighted average cost of gas (WACOG) filed in the Annual PGA to reflect current market prices.
2. APPLICANT DESIRES TO CHANGE THE SCHEDULE(S) NOW ON FILE KNOWN AND DESIGNATED AS: (INSERT SCHEDULE REFERENCE BY NUMBER, PAGE, AND ITEM)  
 Second Revision Tariff Sheet B, Table of Contents  
 Second Revision Sheet 410, Residential Natural Gas Service  
 First Revision Sheet 420, General Natural Gas Service  
 First Revision Sheet 424 and Original Tariff Sheet 424A, Large General and Industrial Natural Gas Service  
 First Revision Sheet 430, Emergency Institutional Service  
 First Revision Sheet 440, Original Tariff Sheet 440A and, Original Tariff Sheet 440B, Interruptible Natural Gas Service for Large Commercial and Industrial  
 First Revision Sheet 444 and Original Sheet 444A, Seasonal Natural Gas Service  
 First Revision Sheet 455, Firm Transportation of Customer-Owned Natural Gas for General and Industrial Service  
 First Revision Sheet 456, Original Tariff Sheet 456A, Original Tariff Sheet 456B and Original Tariff Sheet 456C, Interruptible Transportation of Customer-Owned Natural Gas for General and Industrial Service  
 First Revision Sheet 461, 461A, 461B and 461C, Purchased Gas Cost Adjustment Provision  
 First Revision Sheet 496, Margin Reduction Surcharge
3. THE PROPOSED SCHEDULE(S) SHALL BE AS FOLLOWS: (INSERT SCHEDULE REFERENCE BY NUMBER, PAGE AND ITEM)  
 Third Revision Tariff Sheet B, Table of Contents  
 Supplemental Second Revision Sheet 410, Residential Natural Gas Service  
 Supplemental First Revision Sheet 420, General Natural Gas Service  
 Supplemental First Revision Sheet 424 and First Revision Tariff Sheet 424A, Large General and Industrial Natural Gas Service  
 Supplemental First Revision Sheet 430, Emergency Institutional Service  
 Supplemental First Revision Sheet 440, First Revision Sheet 440A and, First Revision Tariff Sheet 440B, Interruptible Natural Gas Service for Large Commercial and Industrial  
 Supplemental First Revision Sheet 444 and First Revision Sheet 444A, Seasonal Natural Gas Service  
 Supplemental First Revision Sheet 455, Firm Transportation of Customer-Owned Natural Gas for General and Industrial Service  
 Supplemental First Revision Sheet 456, First Revision Tariff Sheet 456A, First Revision Tariff Sheet 456B and First Revision Tariff Sheet 456C, Interruptible Transportation of Customer-Owned Natural Gas for General and Industrial Service  
 Supplemental First Revision Sheet 461, 461A, 461B and 461C, Purchased Gas Cost Adjustment Provision  
 Supplemental First Revision Sheet 496, Margin Reduction Surcharge
4. REASON FOR REQUESTING A WAIVER OF STATUTORY NOTICE:  
 The Company is filing to adjust the previously filed WACOG in Advice No. 08-07-G, Docket No. UG-182 to reflect more current market prices.
5. REQUESTED EFFECTIVE DATE OF THE NEW SCHEDULE (S) OR CHANGES (S): November 1, 2008

6. AUTHORIZED SIGNATURE	TITLE Vice President, State and Federal Regulation	DATE 10/10/08
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PUC USE ONLY

<i>f</i> APPROVED <i>f</i> DENIED	EFFECTIVE DATE OF APPROVED SCHEDULE(S) OR CHANGE
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AUTHORIZED SIGNATURE	DATE
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### *Avista files for a 4.1% price decrease for its Oregon gas customers*

On Oct. 10th, Avista Utilities filed with the Oregon Public Utility Commission to decrease natural gas rates for its Oregon customers by an average of 4.1%, to be effective Nov. 1st. This proposed decrease is a purchased gas cost adjustment (PGA) which is filed annually to reflect changes in the cost of gas purchased by Avista to serve customers. In late August, Avista originally filed its PGA requesting to *increase* rates by 2.0%. However, wholesale natural gas prices have fallen considerably since that time, enabling Avista to refile its request for a 4.1% decrease.

The wholesale price for natural gas fluctuates as a result of many factors, similar to the price for crude oil. Because of the unpredictable nature of wholesale prices, Avista pre-purchases about two-thirds of the gas needed to meet customer demand for the coming winter. During this past spring, wholesale natural gas prices rose to near record levels and Avista was projecting a PGA increase. Since early July, wholesale prices have fallen and these lower prices are reflected in this filing.

With the proposed decrease, the typical residential customer using an average of 53 therms per month would see their monthly bill decrease by \$3.28, or 4.1%, from a present average monthly bill of \$80.07 to \$76.79. Commercial and industrial customers served under Schedules 420 and 424 can expect to see an average decrease of 4.6% and 2.7% respectively.

For information on energy efficiency tips and rebates, energy assistance programs, and bill payment plans, visit our web-site at [www.avistautilities.com](http://www.avistautilities.com) or call us at (800) 227-9187.

AVISTA CORPORATION  
dba Avista Utilities

TABLE OF CONTENTS

The following listed tariff sheets contain all effective rates and rules and regulations affecting the rates and service of the utility together with information relating thereto:

Sheet No.

Title Page A

Table of Contents, Rates

B

Table of Contents, Rules

C

Description of Service Area

D-E

RATE SCHEDULES

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424	Large General and Industrial Natural Gas Service	424-424A
430	Emergency Institutional Service	430-430A
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470	Employees' Service	470
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(D)  
(N)

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Issued by Avista Utilities  
By Kelly Norwood,

Vice President, State & Federal Regulation

AVISTA CORPORATION  
dba Avista Utilities

### SCHEDULE 410

#### GENERAL RESIDENTIAL NATURAL GAS SERVICE - OREGON

##### APPLICABILITY:

Applicable to residential natural gas service for all purposes.

##### TERRITORY:

This schedule is applicable to the entire territory in the State of Oregon served by the Company.

##### THERM:

The word "therm" means one hundred thousand British Thermal Units (100,000 B.T.U.)

##### RATES:

Per Meter  
Per Month

Customer Charge: \$5.50

Commodity Charge Per Therm: \$1.35917

Minimum Charge:  
The Customer Charge constitutes the Minimum Charge.

##### SPECIAL CONDITIONS:

1. The above Commodity Charge Per Therm is subject to the provisions of Income Tax Adjustment Schedule 408 and Margin Reduction Surcharge Schedule 496.
2. A reconnection charge shall be made for restoration of service where service has been turned off for seasonal turnoff, or for other reasons arising through the action or for the convenience of the customer. (See Rule No. 20)
3. Service under this schedule is subject to adjustments as specified under Schedule 451 as well as any other applicable adjustments approved by the Public Utility Commission.
4. The above Commodity Charge includes a \$.00438 per therm for the Residential Low Income Rate Assistance Program, as set forth under Schedule 493.
5. When service has been discontinued at the Customer's request and then reestablished within a twelve-month period, the Customer shall be required to pay the monthly minimum charges that would have been billed had service not been discontinued.

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AVISTA CORPORATION  
dba Avista Utilities

SCHEDULE 420  
GENERAL NATURAL GAS SERVICE - OREGON

APPLICABILITY:

Applicable to commercial and small industrial natural gas service for all purposes.

TERRITORY:

This schedule is applicable to the entire territory in the State of Oregon served by the Company.

THERM:

The word "therm" means one hundred thousand British Thermal Units (100,000 B.T.U.)

RATES:

Per Meter  
Per Month

Customer Charge:

\$7.00

Commodity Charge Per Therm:

\$1.27984

(R)

Minimum Charge:

The Customer Charge constitutes the Minimum Charge.

SPECIAL CONDITIONS:

1. The above Commodity Charge Per Therm is subject to the provisions of Income Tax Adjustment Schedule 408 and Margin Reduction Surcharge Schedule 496. (C)
2. A reconnection charge shall be made for restoration of service when service has been turned off for reasons arising through action of or for the convenience of the customer. (See Rule No. 20)
3. Service for the sole purpose of supplying a fireplace, log lighter, gas log, barbecue or any multiple or combination thereof, will be rendered only under this schedule. Where service for such purpose is requested, an advance-in-aid of construction in the amount of the Company's estimated total additional investment in the facilities required to provide such service shall be made prior to the commencement of construction. If the advance is for facilities to serve more than one customer location, an appropriate portion thereof will be assigned to each customer location. The advance will be refunded by the Company to the person or entity who made the

(continued)

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SCHEDULE 424

LARGE GENERAL AND INDUSTRIAL NATURAL GAS SERVICE - OREGON

APPLICABILITY:

Applicable to large commercial and industrial use customers where at least 75% of the natural gas requirements are for uses other than space heating and where adequate capacity exists in the Company's system. Customers served under this schedule must use a minimum of 29,000 therms annually.

TERRITORY:

This schedule is applicable to the entire territory in the State of Oregon served by the Company.

THERM:

The word "therm" means one hundred thousand British Thermal Units (100,000 B.T.U.)

RATES:

	Per Meter <u>Per Month</u>
Customer Charge:	\$55.50
Commodity Charge Per Therm:	\$1.19631

(R)

Minimum Charge:

The minimum monthly charge shall consist of the Monthly Customer Charge.

SPECIAL CONDITIONS:

1. The above Commodity Charge Per Therm is subject to the provisions of Income Tax Adjustment Schedule 408.
2. This service is available only where adequate capacity exists in the Company's system.
3. As a condition precedent to service under this schedule an executed Agreement with the Company is required specifying quantity requirements and other terms and conditions as hereinafter provided.

(N)  
(N)

(continued)

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AVISTA CORPORATION  
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SCHEDULE 424 (continued)

LARGE GENERAL AND INDUSTRIAL NATURAL GAS SERVICE - OREGON

4. The term of service shall be for a period of one year when service is first rendered and year by year thereafter, continuing until cancelled by ninety days prior written notice given by either party to the other.
5. The applicability clause shown above will not apply to any customer taking service on or before August 1, 1990.
6. Service under this schedule is subject to adjustments as specified under Schedule No. 451 as well as any other applicable adjustments approved by the Public Utility Commission.
7. Rates contained in this schedule will be used to determine balancing penalties and the standby sales service commodity price for Schedule No. 455.

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SCHEDULE 430  
EMERGENCY INSTITUTIONAL SERVICE - OREGON

APPLICABILITY:

In all territory served by the Company, provided that adequate gas volume for such service is available; adequate capacity exists in the Company's system; and buyer has made a showing acceptable to the Company that buyer's institutional operations could not be continued or severe disadvantage to the occupants of buyer's facilities would occur, in the absence of service by the Company under this schedule. Service under this schedule will be supplied on a best efforts basis to institutional buyers currently taking firm service and then under curtailment, up to the maximum volume limits imposed by the Company on an hourly or daily basis, or both, and/or as a total over the estimated period of buyer's emergency. Such limits may be established by instructions given by the Company to any authorized representative or buyer.

TERRITORY:

This schedule is applicable to the entire territory in the State of Oregon served by the Company.

THERM:

The word "therm" means one hundred thousand British Thermal Units (100,000 B.T.U.)

RATES:

Per Meter  
Per Month

Commodity Charge Per Therm:

\$1.27491

(R)

Minimum Charge: None

SPECIAL CONDITIONS:

1. The determination of the availability of gas volumes and system capacity to permit the Company to render any requested service under this schedule shall be within the Company's sole judgment. In making such determination, the Company shall consider, among other factors, the degree of hardship the requested service might impose on other customers, the degree of change in the energy planning of other customers which might result from the requested service and the

(continued)

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SCHEDULE 440

INTERRUPTIBLE NATURAL GAS SERVICE  
FOR LARGE COMMERCIAL AND INDUSTRIAL - OREGON

APPLICABILITY:

Applicable, subject to interruptions in capacity and supply, for large commercial and industrial use where capacity in excess of the existing requirements of firm sales and transportation customers exists in the Company's system. Customers served under this schedule must use a minimum of 50,000 therms annually.

TERRITORY:

This schedule is applicable to the entire territory in the State of Oregon served by the Company.

THERM:

The word "therm" means one hundred thousand British Thermal Units (100,000 B.T.U.)

RATES:

Per Meter  
Per Month

Commodity Charge Per Therm:

\$.89954

(R)

Annual Minimum Charge:

Each Customer shall be subject to an Annual Minimum Charge if their gas usage during the prior year does not equal or exceed 50,000 therms. Such Annual Minimum Charge shall be determined by subtracting their actual usage for a twelve-month period from 50,000 therms multiplied by 11.285 cents per therm.

SPECIAL CONDITIONS:

1. The above Commodity Charge Per Therm is subject to the provisions of Income Tax Adjustment Schedule 408. (N)  
(N)
2. This service is available only where capacity in excess of firm sales and firm transportation requirements exists in the Company's system.
3. Service under this schedule is not available to any "essential agricultural user" or "high priority user" (as defined in Section 281.203(a), Title 18, Code of Federal Regulations), who has requested protection from curtailment, as contemplated by Section 401 of the NGPA (Public Law 95-

(continued)

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SCHEDULE 440 (continued)

INTERRUPTIBLE NATURAL GAS SERVICE  
FOR LARGE COMMERCIAL AND INDUSTRIAL - OREGON

261). An "essential agricultural" or "high-priority" user receiving service under this schedule can obtain protection from curtailment by requesting transfer to the appropriate firm rate schedule of the Company.

4. As a condition precedent to service under this schedule, an executed agreement with the Company is required specifying quantity requirements and other terms and conditions as hereinafter provided.
5. The term of service shall be for a period of one year when service is first rendered and year by year thereafter, continuing until cancelled by ninety days prior written notice given by either party to the other.
6. No customer shall be entitled to service under this rate schedule unless adequate standby equipment and alternative fuel are provided by the customer and are ready at all times for immediate operation in the event that natural gas is interrupted or curtailed in whole or in part.
7. The Company shall give the customer as much notice of an impending curtailment as is reasonably possible under the circumstances at the time. The Company will not be liable for damages occasioned by interruption or discontinuance of service provided under this schedule.
8. In the event of curtailment, customers under this schedule will be curtailed in accordance with Rule No. 14, Continuity Of Service. Interruptible customers are the first to be curtailed.
9. Insofar as operationally practicable, curtailment to each customer receiving service under this schedule shall be pro rata. Proration shall be based on equalization of the number of hours of curtailment for each customer in each heating season (July 1 through June 30).
10. In the event that it is necessary to discontinue service, the monthly minimum charge will be prorated on the basis of the ratio of the number of days on which service was available to the number of days in the billing period. For this purpose

(continued)

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Issued by Avista Utilities  
By

Kelly O. Norwood, V.P. State & Federal Regulation

AVISTA CORPORATION  
dba Avista Utilities

SCHEDULE 440 (continued)

INTERRUPTIBLE NATURAL GAS SERVICE  
FOR LARGE COMMERCIAL AND INDUSTRIAL - OREGON

service will be considered available if curtailed by the Company less than eight hours in any particular day.

11. Service under this schedule is subject to adjustments as specified under Schedule No. 452 as well as any other applicable adjustments approved by the Public Utility Commission.
12. Rates contained in this schedule will be used to determine balancing penalties and the standby sales service commodity price for Schedule No. 456.
13. The applicability clause shown above will not apply to any customer taking service on or before August 1, 1990.

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## SCHEDULE 444

## SEASONAL NATURAL GAS SERVICE - OREGON

## APPLICABILITY:

Applicable for natural gas service to customers whose entire natural gas requirements for any calendar year are supplied during the period from and after March 1, and continuing through November 30, of each year.

Service under this schedule is not available to any "essential agricultural user" or "high priority user" (as defined in section 281.203(a), Title 18, Code of Federal Regulations), who has requested protection from curtailment, as contemplated by Section 401 of the NGPA (Public Law 95-261). An "essential agricultural" or "high-priority" user receiving service under this schedule can obtain protection from curtailment by requesting transfer to the appropriate firm rate schedule of the Company.

## TERRITORY:

This schedule is applicable to the entire territory in the State of Oregon served by the Company.

## THERM:

The word "therm" means one hundred thousand British Thermal Units (100,000 B.T.U.)

## RATES:

Per Meter  
Per Month

Commodity Charge Per Therm:

\$1.19345

(R)

Minimum Charge:

\$7,836.80 per season.

(R)

## SPECIAL CONDITIONS:

1. The above Commodity Charge Per Therm is subject to the provisions of Income Tax Adjustment Schedule 408. (N)
2. A contract will be required for a period of one (1) year when service is first rendered and year by year thereafter. Service will be subject to termination at the end of any contract year in the event the supply of gas may become limited to other firm gas customers. (N)
3. The Company, when operating its propane-air peak shaving facilities, falls under the jurisdiction of the Federal Energy Agency with respect to the Company's

(continued)

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SCHEDULE 444 (continued)

SEASONAL NATURAL GAS SERVICE - OREGON

allocation of propane for such purposes as directed in Chapter II, Title 10, CFR, Part 211, or similar orders which may be subsequently issued. In the event that customer has an alternate fuel capability, the Company shall discontinue service to customer and customer shall convert immediately to alternate fuel usage during those times the Company's peak shaving facilities are in operation, in accordance with these orders.

4. Service under this schedule is subject to adjustments as specified under Schedule 451 as well as any other applicable adjustments approved by the Public Utility Commission.

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SCHEDULE 455

FIRM TRANSPORTATION OF CUSTOMER-OWNED NATURAL GAS FOR LARGE  
GENERAL AND INDUSTRIAL SERVICE - OREGON

APPLICABILITY:

Applicable to firm transportation of customer-owned natural gas for large commercial and industrial use customers where at least 75% of the natural gas requirements are for uses other than space heating and where adequate capacity exists in the Company's system. Customers served under this schedule must transport over the Company's system a minimum of 29,000 therms annually.

TERRITORY:

This schedule is applicable to the entire territory in the State of Oregon served by the Company.

THERM:

The word "therm" means one hundred thousand British Thermal Units (100,000 B.T.U.)

RATES:

Per Meter  
Per Month

Customer Charge:	\$250.00
Volumetric Charge Per Therm:	
First 10,000	\$ .20427
Next 20,000	\$ .13569
Next 20,000	\$ .11725
Next 200,000	\$ .09871
All Additional	\$ .06587

Minimum Charge:

The minimum monthly charge shall consist of the Monthly Customer Charge.

Gross Revenue Fee Reimbursement:

The total of all charges invoiced by the Company shall be subject to a Gross Revenue Fee reimbursement charge of 2.6371 percent to cover state utility tax and other governmental levies imposed upon the Company, as those fees and levies may be in effect from time to time.

(I)

(continued)

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SCHEDULE 456

INTERRUPTIBLE TRANSPORTATION OF CUSTOMER-OWNED NATURAL GAS  
FOR LARGE COMMERCIAL AND INDUSTRIAL SERVICE - OREGON

APPLICABILITY:

Applicable, subject to interruptions in capacity and supply, for the transportation of customer-owned natural gas for large commercial and industrial use where capacity in excess of the existing requirements of firm sales and transportation customers exists in the Company's system. Customers served under this schedule must transport over the Company's system a minimum of 225,000 therms annually.

TERRITORY:

This schedule is applicable to the entire territory in the State of Oregon served by the Company.

THERM:

The word "therm" means one hundred thousand British Thermal Units (100,000 B.T.U.)

RATES:

	Per Meter <u>Per Month</u>
Customer Charge:	\$187.50
Volumetric Charge Per Therm:	
First 10,000	\$.12900
Next 20,000	\$.07757
Next 20,000	\$.06373
Next 200,000	\$.04984
All Additional	\$.02520

Minimum Charge:

The minimum monthly charge shall be \$1,354.30 per month, accumulative annually.

Gross Revenue Fee Reimbursement:

The total of all charges invoiced by the Company shall be subject to a Gross Revenue Fee reimbursement charge of 2.6371 percent to cover governmental fees and levies imposed upon the Company, as those fees and levies may be in effect from time to time.

(l)

(continued)

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SCHEDULE 456 (continued)

INTERRUPTIBLE TRANSPORTATION OF CUSTOMER-OWNED NATURAL GAS  
FOR LARGE COMMERCIAL AND INDUSTRIAL SERVICE - OREGON

SPECIAL CONDITIONS:

1. The above Commodity Charge Per Therm is subject to the provisions of Income Tax Adjustment Schedule 408.
2. This service is available only where capacity in excess of firm sales and firm transportation requirements exists in the Company's system.
3. Service under this schedule is not available to any "essential agricultural user" or "high priority user" (as defined in Section 281.203(a), Title 18, Code of Federal Regulations), who has requested protection from curtailment, as contemplated by Section 401 of the NGPA (Public Law 95-261). An "essential agricultural" or "high-priority" user receiving service under this schedule can obtain protection from curtailment by requesting transfer to the appropriate firm rate schedule of the Company.
4. As a condition precedent to service under this schedule, an executed agreement with the Company is required specifying transportation quantity requirements and other terms and conditions as hereinafter provided.
5. The term of service shall be for a period of one year when service is first rendered and year by year thereafter, continuing until cancelled by ninety days prior written notice given by either party to the other.
6. All terms and conditions of Rule No. 21 apply to the transportation of customer-owned gas under this schedule.
7. No customer shall be entitled to service under this rate schedule until the customer complies with the standby facilities requirements for interruptible transportation service customers as described in Rule No. 21.
8. It is the intent of the Company and the customer that the quantity of customer-owned gas delivered to the customer on any day approximately equal the quantity of gas received by the Company for transportation to the customer. Imbalances in deliveries will be handled with a balancing account. Rule No. 21 describes how the balancing account will work.

(N)  
(N)

(continued)

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SCHEDULE 456 (continued)

INTERRUPTIBLE TRANSPORTATION OF CUSTOMER-OWNED NATURAL GAS  
FOR LARGE COMMERCIAL AND INDUSTRIAL SERVICE - OREGON

9. Customers receiving service under this schedule have the option to procure the standby sales service offered by the Company under Schedule No. 459.
10. Rates contained in Schedule No. 440 will be used to determine balancing penalties and the standby sales service commodity price for customers procuring service under this schedule.
11. The Company shall give the customer as much notice of an impending curtailment as is reasonably possible under the circumstances at the time. The Company will not be liable for damages occasioned by interruption or discontinuance of service provided under this schedule.
12. In the event of capacity curtailment, customers under this schedule will be curtailed in accordance with Rule No. 14, Continuity Of Service. Interruptible customers are the first to be curtailed.
13. In the event of supply shortages, customers under this schedule shall receive their transport volumes except during an emergency requiring the use of the customer's gas to serve essential human needs. Appropriation of customer-owned gas during supply shortages is more fully described in Rule No. 21.
14. Insofar as operationally practicable, curtailment to each customer receiving service under this schedule shall be pro rata. Proration shall be based on equalization of the number of hours of curtailment for each customer in each heating season (July 1 through June 30).
15. In the event that it is necessary to discontinue service, the monthly minimum charge will be prorated on the basis of the ratio of the number of days on which service was available to the number of days in the billing period. For this purpose service will be considered available if curtailed by the Company less than eight hours in any particular day.
16. Service under this schedule is subject to the general rules and regulations contained in this tariff and to those prescribed by regulatory authorities.

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SCHEDULE 456 (continued)

INTERRUPTIBLE TRANSPORTATION OF CUSTOMER-OWNED NATURAL GAS  
FOR LARGE COMMERCIAL AND INDUSTRIAL SERVICE - OREGON

17. Upon mutual agreement between Company and customer, a customer whose business is of a seasonal nature may limit transportation service to their seasonal operating period.
18. The Company is not obligated to maintain long-term gas supplies for transportation customers. Therefore, if a customer provided service under this schedule desires to change to a sales service schedule, the customer shall be liable for any additional charges associated with incremental gas supply costs, if they are higher than average supply costs.

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SCHEDULE 461

PURCHASED GAS COST ADJUSTMENT PROVISION – OREGON

APPLICABILITY:

This schedule applies to all schedules for natural gas sales service within the entire territory served by the Company in the State of Oregon. The definitions and provisions described herein shall establish the natural gas costs for Purchased Gas Adjustment (PGA) deferral purposes on a monthly basis.

This Schedule supersedes Schedules 462, 463, 464 and 465. This Schedule shall be effective during the period November 1, 2008 through October 31, 2009.

(C)

PURPOSE:

The purpose of this provision is to allow the Company, on established Adjustment Dates, to adjust rate schedules for changes in the cost of gas purchased in accordance with the rate adjustment provisions described herein.

A. DEFINITIONS:

1. Actual Commodity Cost: The natural gas supply costs for commodity actually paid for the month, including Financial Transactions, fuel use, and distribution system lost and unaccounted for natural gas (LUFG) plus Gas Storage Facilities withdrawals, plus or minus the cost of gas associated with pipeline imbalances, plus propane costs, plus odorization charges, less Commodity Off-System Sales Revenues received during the month, plus actual Variable Transportation Costs, plus commodity-related reservation charges, less all transportation demand charges embedded in commodity costs.
2. Commodity Off-System Sales Revenues: Revenues received from the sale of natural gas to a party other than the Company's Oregon sales customers less costs associated with the sales transactions.
3. Variable Transportation Costs: Variable transportation costs, including pipeline volumetric charges and other variable costs related to volumes of commodity delivered to sales customers.
4. Actual Non-Commodity Cost: Actual Non-Commodity gas costs shall be equal to actual Demand Costs, less actual Capacity Release Benefits, plus or minus actual pipeline refunds or surcharges.
5. Demand Costs: Fixed monthly pipeline costs and other demand-related natural gas costs such as capacity reservation charges, plus any transportation demand charges embedded in commodity cost.

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SCHEDULE 461 (continued)

PURCHASED GAS COST ADJUSTMENT PROVISION – OREGON

6. Capacity Release Benefits: This component includes revenues associated with pipeline capacity releases. The benefits to Customers, through the monthly PGA deferrals, shall be 100% of the capacity release revenues up to the full pipeline rate, and 80% of the capacity release revenues in excess of full pipeline rates. Capacity release revenues shall be quantified on a transaction-by-transaction basis.

7. Estimated Weighted Average Cost Of Gas (WACOG): The estimated WACOG is calculated by the following formula: (Forecasted Purchases at Adjusted Contract Prices) divided by forecasted sales.

- a. "Forecasted Purchases" means November 1 – October 31 forecasted sales, plus a percentage for "Distribution System Unaccounted for Gas."
- b. "Distribution System Unaccounted for Gas" means the 5-year average of actual unaccounted for gas, not to exceed 2%.
- c. "Adjusted Contract Prices" means contract prices that are adjusted by each associated Canadian pipeline's published (closest to August 1) fuel-in-kind and line loss amount provided for by tariff, and by each associated U.S. pipeline's tariffed rate.

The Estimated WACOG per therm is as follows:

With Gross Revenue Factor	\$0.85754
Without Gross Revenue Factor	\$0.83040

8. Estimated Non-Commodity Cost per Therm: The estimated Non-Commodity Cost per therm shall be equal to estimated Demand Costs, less estimated Capacity Release Benefits, plus or minus estimated pipeline refunds or surcharges, divided by November 1 – October 31 forecasted sales.

The Estimated Non-Commodity Cost per therm is as follows:

With Gross Revenue Factor	\$0.23107
Without Gross Revenue Factor	\$0.22376

9. Forecasted Monthly Calendar Sales Volumes: Forecasted billed sales therms, adjusted for estimated unbilled therms, for Schedules 410, 420, 424, 430, 440, and 444.

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## SCHEDULE 461 (continued)

## PURCHASED GAS COST ADJUSTMENT PROVISION - OREGON

10. Embedded Commodity Cost: The Estimated WACOG multiplied by the Forecasted Monthly Calendar Sales Volumes. (C)

11. Embedded Non-Commodity Cost: The Estimated Non-Commodity Cost per Therm multiplied by the Forecasted Monthly Calendar Sales Volumes less Schedule 440 volumes. (C)

12. Financial Transactions: Cost of Financial Transactions related to gas supply including, but not limited to, hedges, swaps, puts, calls, options and collars that are exercised to provide price stability/control or supply reliability for sales service customers.

13. Gas Storage Facilities: The cost of natural gas for injections shall be the actual cost of purchasing and injecting gas into the Storage Facility. Withdrawals of natural gas shall be valued at the weighted average cost of gas in the facility. Only the cost of natural gas withdrawn from Storage Facilities will be included in the Actual Commodity Cost, as defined herein.

## B. CALCULATION OF MONTHLY GAS COSTS FOR DEFERRAL PURPOSES:

The Company shall maintain sub-accounts of Account 191. Monthly entries into these sub-accounts shall be made to reflect differences between: 1) the Actual Commodity Cost and the Embedded Commodity Cost, and 2) the Actual Non-Commodity Cost and the Embedded Non-Commodity Cost. The entries shall be calculated each month as follows:

1. A debit or credit entry shall be made equal to 100% of the difference between the Actual Non-Commodity Cost and the Embedded Non-Commodity Cost.

2. A debit or credit entry shall be made equal to 90% of the difference between the Actual Commodity Cost and the Embedded Commodity Cost.

3. Differentials shall be deemed to be positive if actual costs exceed embedded costs, and to be negative if actual costs fall below embedded costs.

4. The cost differential entries shall be debited to the Account 191 sub-accounts if positive, and credited to the Account 191 sub-accounts if negative.

5. Interest - The Company shall compute interest on the accumulating deferrals on a monthly basis at the Company's authorized rate of return. (C)

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SCHEDULE 461 (continued)  
PURCHASED GAS COST ADJUSTMENT PROVISION – OREGON

C. AMORTIZATION OF ACCOUNT 191 SUB-ACCOUNT DEFERRALS:

The Account 191 sub-account deferred balances approved for amortization shall include interest calculated on a monthly basis using the interest rate(s) approved by the Commission.

D. ADJUSTMENT DATES:

The Adjustment Date shall be November 1 of each year for changes in annual gas costs. The Company may file out-of-cycle PGA adjustments to be effective at times other than November 1 of each year, if the Company's annual gas costs change by 10 percent or more, or for such other reasons and on such terms as the Commission may approve.

E. TIME AND MANNER OF FILING:

Applications must be made 60 days in advance.

F. AMOUNT OF ADJUSTMENT:

The amount of adjustment to be made to customers' rates effective on each November 1 adjustment date shall consist of the sum of the changes in the Embedded Commodity Cost and Non-Commodity Cost and the change in amortization rates of the Account 191 sub-accounts, as well as other deferral accounts as the Commission may approve.

G. GENERAL RULES AND REGULATIONS:

This schedule is subject to the General Rules and Regulations contained in this tariff and to those prescribed by regulatory authorities.

This schedule is an automatic adjustment clause (PGA) as described in ORS 757.210(1) and is subject to the customer notification requirements as described in OAR 860-022-0017.

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(D)

(C)

(C)

(C)

(D)

AVISTA CORPORATION  
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SCHEDULE 496

MARGIN REDUCTION SURCHARGE – OREGON

APPLICABILITY:

This surcharge applies to natural gas sales service Schedules 410 and 420 within the entire territory served by the Company in the State of Oregon.

PURPOSE:

The purpose of this surcharge is to allow the Company to recover deferred revenue in compliance with the Commission's Order No. 03-570 in Docket No. UG-153. This deferred revenue results from a reduction in Schedule 440 and 456 rates approved by the Commission in that Docket.

MONTHLY RATE:

Charge Per Therm: \$0.00580

(R)

SPECIAL CONDITIONS:

1. The surcharge rate set forth above will be billed in addition to all other rates and charges for natural gas sales service Schedules 410 and 420 set forth in the Company's tariff.
2. The Monthly Rate set forth above will be adjusted annually, coincident with the Company's annual Purchased Gas Cost Adjustment. The Monthly Rate will be adjusted annually to recover the unamortized deferred revenue balance over a twelve-month period associated with the reduction in Schedule 440 and Schedule 456 rates described above.

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BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

Workpapers of  
AVISTA UTILITIES  
for  
Purchased Gas Cost Filing  
October 10, 2008

Sch No	Description	Forecasted Annual Billings	Forecasted Sales (Therms)	Present Billing Rate	Present Revenues	Proposed Billing Rate	Proposed Revenues	Revenue Incr (Decr)	Percent Incr (Decr)	Monthly Use (Therms)	Present Monthly Cost	Proposed Monthly Cost	Monthly Change	Proposed Change to Monthly Cost
410	Residential	1,020,617	54,433,987	\$ 5.50	\$ 5,613,394	\$ 5.50	\$ 5,613,394	\$ -	0.00%	53	\$ 80.07	\$ 76.79	\$ (3.28)	-4.09%
				\$ 1.40692	\$ 76,584,265	\$ 1.34512	\$ 73,220,244	\$ (3,364,020)	-4.09%					
					\$ 82,197,659		\$ 78,833,638							
420	General	134,494	30,504,470	\$ 7.00	\$ 941,458	\$ 7.00	\$ 941,458	\$ -	0.00%	227	\$ 310.28	\$ 295.98	\$ (14.30)	-4.61%
				\$ 1.33604	\$ 40,755,193	\$ 1.27304	\$ 38,833,411	\$ (1,921,782)	-4.61%					
					\$ 41,696,651		\$ 39,774,869							
424	Large General	1,152	4,599,613	\$ 55.50	\$ 63,936	\$ 55.50	\$ 63,936	\$ -	0.00%	3,993	\$ 4,935.58	\$ 4,800.38	\$ (135.20)	-2.74%
				\$ 1.22216	\$ 5,621,464	\$ 1.18830	\$ 5,465,721	\$ (155,743)	-2.74%					
					\$ 5,685,400		\$ 5,529,657							
430	Emergency Institutional	0	0	\$ 1.30877	\$ -	\$ 1.27491	\$ -	\$ -	0.00%	0	\$ -	\$ -	\$ -	0.00%
440	Interruptible	420	3,737,523	\$ 0.92531	\$ 3,458,367	\$ 0.89385	\$ 3,340,785	\$ (117,582)	-3.40%	8,899	\$ 8,234.33	\$ 7,954.37	\$ (279.96)	-3.40%
444	Seasonal 3/1-11/30 (Firm)	45	177,970	\$ 1.22026	\$ 217,170	\$ 1.18640	\$ 211,144	\$ (6,026)	-2.77%	3,955	\$ 4,826.13	\$ 4,692.21	\$ (133.92)	-2.77%
447	Special Contracts	60	3,220,068		\$ 430,067		\$ 430,067	\$ -	0.00%					
455	Firm Transportation	0	0		\$ -		\$ -	\$ -						
456	Int. Transportation	439	30,322,840	0.07272	\$ 2,205,209		\$ 2,205,209	\$ -	0.00%					
	Total	1,157,227	126,996,472		\$ 135,890,521		\$ 130,325,368	\$ (5,565,153)	-4.10%					



Avista Utilities  
Oregon Gas Operations  
Calculation of Proposed Rates by Rate Schedule

Line No.	Rate Schedule (A)	Present Customer Charge (B)	Present Billing Rate (C)	Commodity Cost Change (D)	Demand Cost Change (E)	Total Gas Cost Change (F) + (E)	Amortization Rate Change without Margin Reduction (G)	Intervenor Funding Amortization (H)	Margin Reduction Amortization (I)	Proposed Billing Rate * (J)
										(C) + (F) + (G) + (H) + (I)
1	410	\$ 5.50	\$ 1.40692	\$ 0.07134	\$ 0.00453	\$ 0.07587	\$ (0.10973)	\$ 0.00120	\$ (0.02914)	\$ 1.34512
2	420	\$ 7.00	\$ 1.33604	\$ 0.07134	\$ 0.00453	\$ 0.07587	\$ (0.10973)		\$ (0.02914)	\$ 1.27304
3	424	\$ 55.50	\$ 1.22216	\$ 0.07134	\$ 0.00453	\$ 0.07587	\$ (0.10973)			\$ 1.18830
4	430	\$ -	\$ 1.30877	\$ 0.07134	\$ 0.00453	\$ 0.07587	\$ (0.10973)			\$ 1.27491
5	440	\$ -	\$ 0.92531	\$ 0.07134	\$ -	\$ 0.07134	\$ (0.10280)			\$ 0.89385
6	444	\$ -	\$ 1.22026	\$ 0.07134	\$ 0.00453	\$ 0.07587	\$ (0.10973)			\$ 1.18640
7	455	\$ 250.00								
	First 10,000		\$ 0.20427							\$ 0.20427
	Next 20,000		\$ 0.13569							\$ 0.13569
	Next 20,000		\$ 0.11725							\$ 0.11725
	Next 200,000		\$ 0.09871							\$ 0.09871
	All Additional		\$ 0.06587							\$ 0.06587
8	456	\$ 187.50								
	First 10,000		\$ 0.12581							\$ 0.12581
	Next 20,000		\$ 0.07438							\$ 0.07438
	Next 20,000		\$ 0.06054							\$ 0.06054
	Next 200,000		\$ 0.04665							\$ 0.04665
	All Additional		\$ 0.02201							\$ 0.02201
9	444	\$ 8,060.46		471.24	29.92	501.16	(724.82)			Annual Minimum Charge
10	456	\$ 1,354.30								\$ 7,836.80
										\$ 1,354.30

\* All Rate Changes Adjusted to Include Revenue Sensitive Costs (See Gross up tab).

(B), (C) Revenue tab (Page 1)  
(D), (E) Gas Cost Incr.Decr. tab (Page 6)  
(G), (H), (I) Amort Rate tab (Page 4)

Avista Utilities  
Oregon Gas Operations  
Calculation of Tariff Rates by Rate Schedule

Line No.	Rate Schedule (A)	Present Customer Charge (B)	Present Tariff Rate (C)	Commodity Cost Change (D)	Demand Cost Change (E)	Amortization Rate Change without Margin Reduction (F)	Intervenor Funding Amortization (G)	Proposed Tariff Rate * (H)	Sch 408 (I)	Sch 496 (J)	Proposed Billing Rate (K)
								(C)+(D)+(E)+(F)+(G)			(H)+(I)+(J)
1	410	\$ 5.50	\$ 1.39183	\$ 0.07134	\$ 0.00453	\$ (0.10973)	\$ 0.00120	\$ 1.35917	(0.01985)	0.00580	1.34512
2	420	\$ 7.00	\$ 1.31370	\$ 0.07134	\$ 0.00453	\$ (0.10973)	\$	\$ 1.27984	(0.01260)	0.00580	1.27304
3	424	\$ 55.50	\$ 1.23017	\$ 0.07134	\$ 0.00453	\$ (0.10973)	\$	\$ 1.19631	(0.00801)		1.18830
4	430	\$ -	\$ 1.30877	\$ 0.07134	\$ 0.00453	\$ (0.10973)	\$	\$ 1.27491			1.27491
5	440	\$ -	\$ 0.93100	\$ 0.07134	\$ -	\$ (0.10280)	\$	\$ 0.89954	(0.00569)		0.89385
6	444	\$ -	\$ 1.22731	\$ 0.07134	\$ 0.00453	\$ (0.10973)	\$	\$ 1.19345	(0.00705)		1.18640
7	455	\$ 250.00									
	First 10,000	\$	\$ 0.20427					\$ 0.20427			
	Next 20,000	\$	\$ 0.13569			\$0.00000		\$ 0.13569			
	Next 20,000	\$	\$ 0.11725			\$0.00000		\$ 0.11725			
	Next 200,000	\$	\$ 0.09871			\$0.00000		\$ 0.09871			
	All Additional	\$	\$ 0.06587			\$0.00000		\$ 0.06587			
8	456	\$ 187.50									
	First 10,000	\$	\$ 0.12900					\$ 0.12900			
	Next 20,000	\$	\$ 0.07757					\$ 0.07757			
	Next 20,000	\$	\$ 0.06373					\$ 0.06373			
	Next 200,000	\$	\$ 0.04984					\$ 0.04984			
	All Additional	\$	\$ 0.02520					\$ 0.02520			
9	444	\$ 8,060.46		471.24	29.92	(724.82)		Annual Minimum Charge			
								\$ 7,836.80			
10	456	\$ 1,354.30									1,354.30

\* All Rate Changes Adjusted to Include Revenue Sensitive Costs (See Gross up tab).

(B), (C), (I) Schedule Summaries & Shortcuts  
(D), (E) Gas Cost Incr.Decr. tab (Page 6)  
(F), (G), (J) Amort Rate tab (Page 4)

Avista Utilities  
Oregon Gas Operations  
Summary of Present and Proposed Rates

Line No.	Description (A)	Rate Sch (B)	Adjusted Sales Therms (C)		Change in Gas Costs			Change in Amortization			Total Change			Proposed Revenues (M)
			Present Revenues (D)	Commodity Portion (E)	Demand Portion (F)	Total Change (E) + (F)	Remove Old (H)	Add New (I)	Total Change (H) + (I)	In Rates (K)	In Revenue (L)	Total Change (K) + (L)		
1	Residential	410	\$ 54,433,987	\$ 0.07134	\$ 0.00453	\$ 0.07587	\$ 82,197,659	\$ (0.13188)	\$ (0.00579)	\$ (0.13767)	\$ (0.06180)	\$ (3,364,021)	\$ 78,833,638	
2	General	420	\$ 30,504,470	\$ 0.07134	\$ 0.00453	\$ 0.07587	\$ 41,696,651	\$ (0.13188)	\$ (0.00699)	\$ (0.13887)	\$ (0.06300)	\$ (1,921,782)	\$ 39,774,869	
3	Large General	424	\$ 4,599,613	\$ 0.07134	\$ 0.00453	\$ 0.07587	\$ 5,685,400	\$ (0.09694)	\$ (0.01279)	\$ (0.10973)	\$ (0.03386)	\$ (155,743)	\$ 5,529,657	
4	Emergency Instit.	430	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
5	Interruptible	440	\$ 3,737,523	\$ 0.07134	\$ -	\$ 0.07134	\$ 3,458,367	\$ (0.04856)	\$ (0.05424)	\$ (0.10280)	\$ (0.03146)	\$ (117,582)	\$ 3,340,785	
6	Seasonal	444	\$ 177,970	\$ 0.07134	\$ 0.00453	\$ 0.07587	\$ 217,170	\$ (0.09694)	\$ (0.01279)	\$ (0.10973)	\$ (0.03386)	\$ (6,026)	\$ 211,144	
7	Special Contract	447	\$ 3,220,068	\$ -	\$ -	\$ -	\$ 430,067	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 430,067.00	
8	Firm Transportation	455	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
9	Int. Transportation	456	\$ 30,322,840	\$ -	\$ -	\$ -	\$ 2,205,209	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,205,208.55	
10	TOTAL		\$ 126,996,472	\$ 135,890,521				\$ (7,178,754)	\$ (315,173)	\$ (7,493,927)	\$ (3,364,021)	\$ (5,565,154)	\$ 130,325,368	
11	Residential	410	\$ 54,433,987	\$ 3,863,321	\$ 246,586	\$ 4,129,907	\$ 82,197,659	\$ (7,178,754)	\$ (315,173)	\$ (7,493,927)	\$ (3,364,021)	\$ (3,364,021)	\$ 78,833,638	
12	General	420	\$ 30,504,470	\$ 2,176,189	\$ 138,185	\$ 2,314,374	\$ 41,696,651	\$ (4,022,930)	\$ (213,226)	\$ (4,236,156)	\$ (1,921,782)	\$ (1,921,782)	\$ 39,774,869	
13	Large General	424	\$ 4,599,613	\$ 328,136	\$ 20,836	\$ 348,973	\$ 5,685,400	\$ (445,887)	\$ (58,829)	\$ (504,716)	\$ (155,743)	\$ (155,743)	\$ 5,529,657	
14	Emergency Instit.	430	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
15	Interruptible	440	\$ 3,737,523	\$ 266,635	\$ -	\$ 266,635	\$ 3,458,367	\$ (181,494)	\$ (202,723)	\$ (384,217)	\$ (0.03146)	\$ (117,582)	\$ 3,340,785	
16	Seasonal	444	\$ 177,970	\$ 12,696	\$ 806	\$ 13,503	\$ 217,170	\$ (17,252)	\$ (2,276)	\$ (19,529)	\$ (6,026)	\$ (6,026)	\$ 211,144	
17	Special Contract	447	\$ 3,220,068	\$ -	\$ -	\$ -	\$ 430,067	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 430,067	
18	Firm Transportation	455	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
19	Int. Transportation	456	\$ 30,322,840	\$ -	\$ -	\$ -	\$ 2,205,209	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,205,209	
20	TOTAL		\$ 126,996,472	\$ 6,666,977	\$ 406,414	\$ 7,073,391	\$ 135,890,521	\$ (11,846,317)	\$ (792,228)	\$ (12,638,544)	\$ (5,565,154)	\$ (5,565,154)	\$ 130,325,368	

(C), (D) & (M) Revenue tab (Page 1)

(E) & (F) GRF tab (Page 9)

(H) & (I) Amort Rate tab (Page 4)

Development of Balancing Account Amortization Rates

Line No.	Acct No.	Description	Adjusted Account Balance 10/31/08	Current Tariff Rate per Therm	Proposed Amort. Rate per Therm	(1)		Change in Tariff Rate
						Proposed Tariff Rate per Therm	Proposed Tariff Rate per Therm	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(F) - (D)
<b>Firm</b>								
1	191900	PGA Demand Account 10/04 - 9/30/05	\$ -	\$ 0.01429	\$ -	\$ -	\$ -	\$ (0.01429)
2	191902	PGA Demand 10/1/05 -	\$ -	\$ 0.01978	\$ -	\$ -	\$ -	\$ (0.01978)
3	191904	PGA Current Demand Deferrals	\$ -	\$ (0.00688)	\$ -	\$ -	\$ -	\$ 0.00688
4	191908	Demand Amortization 10/04-10/08	\$ 551,640	\$ -	\$ 0.00624	\$ 0.00644	\$ 0.00644	\$ 0.00644
5	06801819	Commercial Energy Efficiency, Deferral	\$ -	\$ 0.00105	\$ -	\$ -	\$ -	\$ (0.00105)
6	06801819	Commercial Energy Efficiency, Amortization	\$ -	\$ 0.00159	\$ -	\$ -	\$ -	\$ (0.00159)
7	06801831	Resid High Eff. Water Heating, Deferral	\$ -	\$ 0.00064	\$ -	\$ -	\$ -	\$ (0.00064)
8	06801831	Resid High Eff. Water Heating, Amortization	\$ -	\$ 0.00154	\$ -	\$ -	\$ -	\$ (0.00154)
9	06801832	Resid High Eff. Space Heating, Deferral	\$ -	\$ 0.00318	\$ -	\$ -	\$ -	\$ (0.00318)
10	06801832	Resid High Eff. Space Heating, Amortization	\$ -	\$ 0.01319	\$ -	\$ -	\$ -	\$ (0.01319)
12		DSM Firm Customer Amortization Account	\$ 2,998,962		\$ 0.03394	\$ 0.03501	\$ 0.03501	\$ 0.03501
13		<b>Total Firm</b>	<b>\$ 3,550,603</b>	<b>\$ 0.04838</b>	<b>\$ 0.04018</b>	<b>\$ 0.04145</b>	<b>\$ 0.04145</b>	<b>\$ (0.00693)</b>
14	191890	<b>Margin Reduction Deferral</b>	\$ 470,607	\$ 0.03494	\$ 0.00562	\$ 0.00580	\$ 0.00580	\$ (0.02914)
15	191720 & 191722	<b>Intervenor Funding</b>	\$ 62,313	\$ -	\$ 0.00116	\$ 0.00120	\$ 0.00120	\$ 0.00120
16		<b>Firm &amp; Interruptible</b>						
17	186790	\$350 Rebate	\$ -	\$ 0.00346		\$ -	\$ -	\$ (0.00346)
18	191899	PGA Commodity Account 10/04 - 9/30/05	\$ -	\$ 0.04112	\$ -	\$ -	\$ -	\$ (0.04112)
19	191901	PGA Commodity 10/1/05 -	\$ -	\$ (0.02115)	\$ -	\$ -	\$ -	\$ 0.02115
20	191903	PGA Current Commodity Deferrals	\$ -	\$ 0.02513	\$ -	\$ -	\$ -	\$ (0.02513)
21	191907	Commodity Amortization Account 10/04 - 10/08	\$ (4,838,198)	\$ -	\$ (0.05257)	\$ (0.05424)	\$ (0.05424)	\$ (0.05424)
22		<b>Total Firm &amp; Interruptible</b>	<b>\$ (4,838,198)</b>	<b>\$ 0.04856</b>	<b>\$ (0.05257)</b>	<b>\$ (0.05424)</b>	<b>\$ (0.05424)</b>	<b>\$ (0.10280)</b>
23		<b>Interruptible (440)</b>	\$ (4,838,198)	\$ 0.04856	\$ (0.05257)	\$ (0.05424)	\$ (0.05424)	\$ (0.10280)
24		<b>Demand &amp; DSM</b>	\$ 3,550,603	\$ 0.04838	\$ 0.04018	\$ 0.04145	\$ 0.04145	\$ (0.00693)
25		<b>Total 424, 430, 444</b>	\$ (1,287,595)	\$ 0.09694	\$ (0.01239)	\$ (0.01279)	\$ (0.01279)	\$ (0.10973)
26		<b>Margin Reduction (410 , 420)</b>	\$ 470,607	\$ 0.03494	\$ 0.00562	\$ 0.00580	\$ 0.00580	\$ (0.02914)
27		<b>Total 420</b>	\$ (816,988)	\$ 0.13188	\$ (0.00677)	\$ (0.00699)	\$ (0.00699)	\$ (0.13887)
28		<b>Intervenor Funding (410)</b>	\$ 62,313	\$ -	\$ 0.00116	\$ 0.00120	\$ 0.00120	\$ 0.00120
29		<b>Total 410</b>	\$ (754,675)	\$ 0.13188	\$ (0.00560)	\$ (0.00579)	\$ (0.00579)	\$ (0.13767)

(1) Revenue Sensitive Costs, See GRF tab (Page 9)

103.17%

Avista Utilities  
Oregon Gas Operations  
Deferral Account Balance and Estimated Activity

Account Number	Project Number	Account Description	Deferral Order	Notes	Account Balance * 6/30/08	Actual Amort. Deferrals & Int. 7/30/08	Est. Amort. Deferrals & Int. 8/08 - 10/08	Adjustments	Adjusted Balance 10/31/08
191899		PGA Commodity Account 10/04 - 9/05	91-1160		\$ 470,644.84	\$ (94,140.25)	\$ (613,037.60)	\$ 236,533.02	\$ -
191900		PGA Demand Account 10/04 - 9/05	91-1160		\$ 142,910.70	\$ (30,270.56)	\$ (200,417.92)	\$ 87,777.78	\$ -
191901		PGA Commodity 10/05 - 9/06	91-1160		\$ (238,325.99)	\$ 47,941.56	\$ 315,289.22	\$ (124,904.80)	\$ -
191902		PGA Demand 10/05 - 9/06	91-1160		\$ 217,556.96	\$ (41,388.90)	\$ (277,196.02)	\$ 101,027.96	\$ -
191903		PGA Commodity Deferrals 10/06 - 10/07	91-1160	1	\$ (1,535,985.60)	\$ (67,284.87)	\$ (394,206.33)	\$ 1,997,476.80	\$ -
191904		PGA Demand Deferrals 10/06 - 10/07	91-1160	1	\$ 1,820,284.13	\$ 25,173.03	\$ 116,956.42	\$ (1,962,413.57)	\$ -
191905		PGA Current Commodity Deferrals	07-479		\$ (1,755,263.93)	\$ (35,762.20)	\$ (944,459.98)	\$ 2,735,486.11	\$ -
191906		PGA Current Demand Deferrals	07-479		\$ (2,075,210.69)	\$ 562,707.94	\$ 290,535.09	\$ 1,221,967.66	\$ -
191907		PGA Commodity Amortization Account						\$ (4,838,197.53)	\$ (4,838,197.53)
191908		PGA Demand Amortization Account						\$ 551,640.18	\$ 551,640.18
191890		Large Customer (440 & 456) Margin Deferral	03-570		\$ 973,430.83	\$ (61,452.51)	\$ (441,371.10)	\$ (6,393.60)	\$ 470,607.22
191711		Glendale Surcharge	07-477		\$ 6,393.60	\$ -	\$ -	\$ -	\$ -
191720		Intervenor Funding - Citizens Utility Board	08-015		\$ 60,000.00	\$ -	\$ -	\$ -	\$ 60,000.00
191721		Intervenor Funding - Pre Authorized Matching Fund	08-015		\$ 985.20	\$ -	\$ -	\$ (985.20)	\$ -
191722		Intervenor Funding - Issues Fund	08-015		\$ 2,313.00	\$ -	\$ -	\$ -	\$ 2,313.00
186790	06801817	\$350 Conservation Rebate Program Comm - Amort	88-011	2	\$ 13,130.29	\$ (672.75)	\$ (4,216.00)	\$ (8,241.54)	\$ -
186790	06801838	\$350 Conservation Rebate Program Resid - Amort	88-011	2	\$ 140,064.02	\$ (7,199.49)	\$ (47,472.00)	\$ (85,392.53)	\$ -
	06801817	\$350 Conservation Rebate Program Comm - Deferra	88-011	2	\$ 55,063.71	\$ 7,776.64	\$ 9,076.00	\$ (71,916.35)	\$ -
	06801838	\$350 Conservation Rebate Program Resid - Deferra	88-011	2	\$ 247,784.24	\$ 31,768.80	\$ 88,852.00	\$ (368,405.04)	\$ -
	06801819	Commercial Energy Efficiency - Deferral	08-325	2	\$ 255,140.24	\$ 30,614.34	\$ 25,190.00	\$ (310,944.58)	\$ -
	06801819	Resid. High Efficiency Water Heating - Amortization	08-325	2	\$ 173,342.29	\$ (4,920.90)	\$ (35,874.00)	\$ (132,547.39)	\$ -
	06801831	Resid. High Efficiency Water Heating - Deferral	08-325	2	\$ 18,815.43	\$ 1,666.44	\$ 5,838.00	\$ (26,319.87)	\$ -
	06801831	Resid. High Efficiency Water - Amortization	08-325	2	\$ 148,242.98	\$ (3,911.10)	\$ (29,310.00)	\$ (115,021.88)	\$ -
	06801832	Resid. High Efficiency Space Heating - Deferral	08-325	2	\$ 207,892.18	\$ 20,687.43	\$ 68,984.00	\$ (297,563.61)	\$ -
	06801832	Residential High Efficiency Space Heating - Amort	08-325	2	\$ 1,260,890.31	\$ (28,779.69)	\$ (218,984.00)	\$ (1,013,126.62)	\$ -
	77705087	Tankless Water Heater Rebate Program	08-325		\$ 55,552.52	\$ 4,051.93	\$ 10,793.00	\$ (70,397.45)	\$ -
	77705088	Chimney Damper Rebate Program	08-325		\$ 6,206.86	\$ 250.38	\$ 1,070.00	\$ (7,527.24)	\$ -
	77705089	Programmable Thermostat Rebate Program	08-325		\$ 43,927.04	\$ 3,956.43	\$ 12,456.00	\$ (60,339.47)	\$ -
	77705090	High Efficiency Space Heater Rebate Program	08-325		\$ 11,181.01	\$ 390.32	\$ 2,770.00	\$ (14,341.33)	\$ -
	06805008	Residential High Efficiency Homes	08-325		\$ 287,825.00	\$ 2,014.10	\$ 6,140.00	\$ (295,979.10)	\$ -
	06805009	Residential High Efficiency Manufactured Homes	08-325		\$ 17,286.97	\$ 121.36	\$ 381.00	\$ (17,789.33)	\$ -
	06805010	Residential High Efficiency Washing Machines	08-325		\$ 100,200.60	\$ 711.48	\$ 2,197.00	\$ (103,109.08)	\$ -
186790		DSM Firm Customer Amortization Account						\$ 2,998,962.41	\$ 2,998,962.41
Total					\$ 1,132,278.74	\$ 364,048.96	\$ (2,250,017.23)	\$ (985.20)	\$ (754,674.72)

\* Account balance per 06/30/08 OPUC report.

Avista Utilities  
Oregon Gas Operations  
Deferral Account Balance and Estimated Activity

	June *	July	August	September	October	Total Est. Activity	Total Activity
Commodity 191905							
Account Balance	\$(1,755,263.93)						
PGA Commodity Revenue	\$(1,826,008.06)	\$(2,469,463.00)	\$(3,199,154.23)	\$(6,069,675.48)	\$(11,738,292.71)	\$(13,564,300.77)	
PGA Commodity Expense	\$1,784,377.84	\$2,545,139.89	\$2,703,562.12	\$5,440,190.72	\$10,688,892.73	\$12,473,270.57	
Subtotal	\$(41,630.22)	\$75,676.89	\$(495,592.12)	\$(629,484.75)	\$(1,049,399.98)	\$(1,091,030.20)	
90% Allowed for recovery / (rebate)							
Add: Hedge Adjustment	\$(37,467.20)	\$68,109.20	\$(446,032.90)	\$(566,536.28)	\$(944,459.98)	\$(981,927.18)	
Net Deferral	\$1,705.00					\$1,705.00	
Ending Balance	\$(35,762.20)	\$68,109.20	\$(446,032.90)	\$(566,536.28)	\$(944,459.98)	\$(980,222.18)	
	\$(1,791,026.13)	\$(1,722,916.93)	\$(2,168,949.83)	\$(2,735,486.11)			
Demand 191906							
Account Balance	\$(2,075,210.69)						
PGA Demand Revenue	\$(486,397.87)	\$(623,695.57)	\$(874,371.21)	\$(1,682,495.53)	\$(3,180,562.31)	\$(3,666,960.18)	
PGA Transportation Demand Expense	\$1,049,105.81	\$1,210,486.99	\$1,177,087.81	\$1,288,400.61	\$3,675,975.41	\$4,725,081.22	
WEI Embedded Commodity Cost		\$107,145.00	\$149,052.00	\$168,225.00	\$424,422.00	\$424,422.00	
MIST Storage		\$78,500.00	\$78,500.00	\$78,500.00	\$235,500.00	\$235,500.00	
Capacity Release		\$(291,400.00)	\$(282,000.00)	\$(291,400.00)	\$(864,800.00)	\$(864,800.00)	
Net Deferral	\$562,707.94	\$481,036.43	\$248,268.60	\$(438,769.93)	\$290,535.09	\$853,243.03	
Ending Balance	\$(1,512,502.75)	\$(1,031,466.32)	\$(783,197.73)	\$(1,221,967.66)			

\* Account balance per 06/30/08 OPUC Report.  
Forecasted Volumes - See Volumes tab  
Average Commodity Price = Executed Hedges + Index Purchases / Total Forecasted Volumes

Avista Utilities  
Oregon Gas Operations  
Amortization Account Balance and Estimated Activity

State of Oregon Amortization Calculation

Total Calendar Therms	Actuals		Forecasted		Forecasted Oct-08	Total Est. Activity	Total Activity
	Jun-08	Jul-08	Aug-08	Sep-08			
410 Residential		1,067,882	1,366,358	2,206,565	4,661,183	8,234,106	9,301,988
420 Commercial		897,026	1,139,823	1,276,808	2,568,189	4,984,821	5,881,847
424 Industrial		237,354	314,454	380,611	398,580	1,093,645	1,330,999
444 Seasonal		6,830	12,027	107,182	13,502	132,711	139,541
<b>FIRM DEMAND THERMS</b>		<b>2,209,092</b>	<b>2,832,662</b>	<b>3,971,165</b>	<b>7,641,455</b>	<b>14,445,283</b>	<b>16,654,375</b>
440 Interruptible		180,533	399,027	215,442	301,691	916,160	1,096,693
<b>COMMODITY THERMS</b>		<b>2,389,625</b>	<b>3,231,689</b>	<b>4,186,607</b>	<b>7,943,146</b>	<b>15,361,443</b>	<b>17,751,068</b>

Activity

191890 Margin Reduction	\$ (0.0340)	\$ (66,787)	\$ (85,185)	\$ (118,400)	\$ (245,726)	\$ (449,311)	\$ (502,824)
191899 PGA Amortization Commodity	\$ (0.0400)	\$ (95,585)	\$ (129,268)	\$ (167,464)	\$ (317,726)	\$ (614,458)	\$ (707,178)
191900 PGA Amortization Demand	\$ (0.0139)	\$ (30,706)	\$ (39,374)	\$ (55,199)	\$ (106,216)	\$ (200,789)	\$ (230,688)
191901 PGA Amortization Commodity	\$ 0.0206	\$ 49,155	\$ 66,476	\$ 86,119	\$ 163,391	\$ 315,985	\$ 363,231
191902 PGA Amortization Demand	\$ (0.0192)	\$ (42,503)	\$ (54,500)	\$ (76,405)	\$ (147,022)	\$ (277,927)	\$ (318,585)
191903 PGA Amortization Commodity	\$ (0.0244)	\$ (58,402)	\$ (78,982)	\$ (102,321)	\$ (194,130)	\$ (375,434)	\$ (461,491)
191904 PGA Amortization Demand	\$ 0.0067	\$ 14,801	\$ 18,979	\$ 26,607	\$ 51,198	\$ 96,783	\$ 142,129

Interest

191890 Margin Reduction	\$ 5,335	\$ 5,335	\$ 3,094	\$ 2,742	\$ 2,104	\$ 7,940	\$ 925,253
191899 PGA Amortization Commodity	\$ 1,445	\$ 1,445	\$ 1,110	\$ 586	\$ (275)	\$ 1,420	\$ 379,369
191900 PGA Amortization Demand	\$ 436	\$ 436	\$ 331	\$ 164	\$ (123)	\$ 372	\$ 113,447
191901 PGA Amortization Commodity	\$ (1,213)	\$ (1,213)	\$ (559)	\$ (290)	\$ 153	\$ (696)	\$ (192,293)
191902 PGA Amortization Demand	\$ 1,114	\$ 1,114	\$ 530	\$ 299	\$ (98)	\$ 731	\$ 178,013
191903 PGA Amortization Commodity	\$ (8,882)	\$ (8,882)	\$ (5,845)	\$ (6,189)	\$ (6,738)	\$ (18,773)	\$ (1,630,926)
191904 PGA Amortization Demand	\$ 10,372	\$ 10,372	\$ 6,601	\$ 6,705	\$ 6,867	\$ 20,173	\$ 1,876,002

Ending Balances

191890 Margin Reduction	\$ 973,431	\$ 911,978	\$ 829,887	\$ 714,229	\$ 470,607	Transfers	
191899 PGA Amortization Commodity	\$ 470,645	\$ 376,505	\$ 248,347	\$ 81,468	\$ (236,533)		
191900 PGA Amortization Demand	\$ 142,911	\$ 112,640	\$ 73,597	\$ 18,561	\$ (87,778)		
191901 PGA Amortization Commodity	\$ (238,326)	\$ (190,384)	\$ (124,468)	\$ (38,639)	\$ 124,905		
191902 PGA Amortization Demand	\$ 217,557	\$ 176,168	\$ 122,198	\$ 46,091	\$ (101,028)		
191903 PGA Amortization Commodity	\$ (1,535,986)	\$ (1,603,270)	\$ (1,688,098)	\$ (1,796,608)	\$ (1,997,477)		
191904 PGA Amortization Demand	\$ 1,820,284	\$ 1,845,457	\$ 1,871,037	\$ 1,904,348	\$ 1,962,414		

Avista Utilities  
Oregon Gas Operations  
Proposed Gas Cost Increase / (Decrease)

Rate Sch	Description	Volumes (Therms)	Present Revenues	Proposed Commodity Cost Change	Proposed Demand Cost Change	Total Proposed Incr (Decr)	Percent Incr (Decr)
410	Residential	54,433,987	\$ 82,197,659	\$ 3,883,321	\$ 246,586	\$ 4,129,907	5.02%
420	General	30,504,470	\$ 41,696,651	\$ 2,176,189	\$ 138,185	\$ 2,314,374	5.55%
424	Large General	4,599,613	\$ 5,685,400	\$ 328,136	\$ 20,836	\$ 348,973	6.14%
430	Emergency Institutional	0	\$ -	\$ -	\$ -	\$ -	0.00%
440	Interruptible	3,737,523	\$ 3,458,367	\$ 266,635	\$ -	\$ 266,635	7.71%
444	Seasonal 3/1-11/30 (Firm)	177,970	\$ 217,170	\$ 12,696	\$ 806	\$ 13,503	6.22%
TOTAL			\$ 133,255,246	\$ 6,666,977	\$ 406,414	\$ 7,073,391	
				\$ 6,666,977	\$ 406,414	\$ 7,073,392	



Avistia Utilities  
Oregon Gas Operations  
Gas Cost Calculation (per Therm)

Month	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)
	Purchased Volumes	Storage Volumes	Executed Hedged Volumes	Index Volumes	Executed Hedged WACOG	Estimated Index WACOG	Executed Hedged Cost	Estimated Index Cost	Estimated Hedged/ Index Cost	WEI Demand Rate	WEI Embedded in Commodity	Estimated Odorization Costs	Storage Withdrawals Costs	Sales Volumes	Variable Transportation Cost	Estimated Cost	Estimated WACOG		
	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)		
Nov/08	11,452,575	0	7,819,860	3,633,715	\$ 0.92674	\$0.73478	\$ 7,246,990	\$ 2,669,986	\$ 9,916,976	0.03737	\$ (93,245)	\$ 2,400	\$ -	11,063,648	\$ 24,002	\$ 9,850,133	\$ 0.89032		
Dec/08	15,702,262	0	12,609,305	3,092,957	\$ 0.95508	\$0.77633	\$12,042,917	\$ 2,398,051	\$14,440,968	0.03737	\$ (24,380)	\$ 2,400	\$ -	15,178,151	\$ 28,501	\$ 14,447,489	\$ 0.95186		
Jan/09	15,563,702	(4,541,500)	10,124,745	897,457	\$ 0.92375	\$0.82663	\$ 9,352,743	\$ 741,870	\$10,094,613	0.03737	\$ (40,357)	\$ 2,400	\$ 3,550,743	15,038,026	\$ 28,033	\$ 13,635,432	\$ 0.90673		
Feb/09	11,881,204	(2,758,000)	8,031,090	1,092,114	\$ 0.89405	\$0.80481	\$ 7,180,212	\$ 878,941	\$ 8,059,153	0.03737	\$ (20,840)	\$ 2,400	\$ 2,156,325	11,479,015	\$ 36,140	\$ 10,233,178	\$ 0.89147		
Mar/09	10,503,692	(1,178,000)	7,439,850	1,885,842	\$ 0.84497	\$0.75493	\$ 6,286,418	\$ 1,423,681	\$ 7,710,099	0.03737	\$ (18,844)	\$ 2,400	\$ 921,012	10,147,141	\$ 19,742	\$ 8,634,409	\$ 0.85092		
Apr/09	7,737,219	0	2,749,950	4,987,269	\$ 0.76287	\$0.63684	\$ 2,097,841	\$ 3,176,070	\$ 5,273,911	0.03737	\$ (38,010)	\$ 2,400	\$ -	7,475,277	\$ 24,227	\$ 5,262,528	\$ 0.70399		
May/09	4,855,079	0	1,291,620	3,563,459	\$ 0.78730	\$0.63746	\$ 1,016,894	\$ 2,271,574	\$ 3,288,468	0.03737	\$ (56,012)	\$ 1,500	\$ -	4,689,739	\$ 17,970	\$ 3,251,926	\$ 0.69341		
Jun/09	3,051,053	0	1,249,950	1,801,103	\$ 0.78730	\$0.62590	\$ 984,091	\$ 1,127,316	\$ 2,111,407	0.03737	\$ (90,600)	\$ 1,500	\$ -	2,948,018	\$ 9,584	\$ 2,031,891	\$ 0.68924		
Jul/09	2,781,487	0	1,291,620	1,489,867	\$ 0.78730	\$0.64966	\$ 1,016,894	\$ 967,911	\$ 1,984,805	0.03737	\$ (102,070)	\$ 1,500	\$ -	2,691,176	\$ 26,746	\$ 1,910,981	\$ 0.71009		
Aug/09	3,069,688	0	1,291,620	1,778,068	\$ 0.78730	\$0.65270	\$ 1,016,894	\$ 1,160,545	\$ 2,177,439	0.03737	\$ (107,145)	\$ 1,500	\$ -	2,973,132	\$ 18,241	\$ 2,090,035	\$ 0.70297		
Sep/09	3,403,267	0	1,249,950	2,153,317	\$ 0.78730	\$0.59190	\$ 984,091	\$ 1,274,558	\$ 2,258,649	0.03737	\$ (149,052)	\$ 1,500	\$ -	3,292,908	\$ 11,845	\$ 2,122,942	\$ 0.64470		
Oct/09	6,704,079	0	2,324,950	4,379,129	\$ 0.75228	\$0.57830	\$ 1,749,010	\$ 2,532,471	\$ 4,281,481	0.03737	\$ (168,225)	\$ 1,500	\$ -	6,477,333	\$ 17,913	\$ 4,132,669	\$ 0.63802		
Total	96,706,307	(8,477,500)	57,474,510	30,754,297	\$50,974,996	\$20,622,974	\$71,597,970	\$24,321,400	\$908,780	\$ (908,780)	\$ 23,400	\$ 6,628,060	\$ 93,453,564	\$ 262,944	\$ 77,603,613	\$ 0.83040			

Proposed WACOG \$ 0.83040  
Present WACOG \$ 0.76414  
Gas Cost Change \$ 0.06626

Proposed Tariff WACOG \$ 0.85754  
Present Tariff WACOG \$ 0.78620  
Gas Cost Tariff Change \$ 0.07134

- (B) & (P) Volumes tab (Page 12)
- (C) Storage tab (Page 25)
- (D) & (F) Executed Hedges tab (Page 26)
- (G) Fwd Prices Index tab (Page 11)
- (K) & (L) WEI Embedded Costs tab (Page 16)
- (N) Assume \$2,400 winter / \$1,500 summer based on actual invoices
- (O) Storage tab Average blended inventory WACOG \$0.78184 (Page 25)
- (Q) Variable Transport tab (Page 24)

Line No.	Description (A)	Estimated Demand Costs (B)
1	<b>Northwest Pipeline Corporation (NWP)</b>	\$ 6,393,693
2	<b>TCPL - Gas Transmission Northwest</b>	\$ 12,323,152
3	<b>Transcanada - Foothills Pipe Line Ltd.</b>	\$ 732,203
4	<b>Transcanada - NOVA System</b>	\$ 1,924,631
5	<b>Tuscarora</b>	\$ 29,200
6	<b>Westcoast</b>	\$ 255,295
7	<b>Northwest Natural - Mist Storage</b>	\$ 939,000
8	<b>Miscellaneous Demand Related Cost/(Credit)</b>	
9	WEI Demand Costs Embedded in Commodity	\$ 908,780
9	Long-term Capacity Release Credits	\$ (3,431,000)
10	<b>Total Demand Costs</b>	<b>\$ 20,074,954</b>
11	Therms Sold for Demand Cost Calculation	89,716,041
12	<b>Proposed Demand Cost</b>	<b>\$ 0.22376</b>
13	<b>Present Demand Cost</b>	<b>\$ 0.22018</b>
14	<b>Demand Cost Change</b>	<b>\$ 0.00358</b>
15	<b>Proposed Tariff WACOG</b>	<b>0.23107</b>
16	<b>Present Tariff WACOG</b>	<b>0.22654</b>
17	<b>Gas Cost Tariff Change</b>	<b>\$ 0.00453</b>

(B) Source: Individual pipeline tabs

Avista Utilities  
Oregon Gas Operations  
Calculation of Purchased Gas Cost  
Rate Change per Therm

Line No.		Commodity Cost Change	Demand Cost Change	Total Cost Change
1	Increase (Decrease) in Gas Cost	\$ 0.06626	\$ 0.00358	\$ 0.06984
2	Adjustment for new Revenue Conversion factor (Note 1)	0.00282	0.00081	
3	Revenue Sensitive Costs (%):			
4	Uncollectibles	0.5280		
5	Regulatory Commission Fee	0.2500		
6	Energy Resource Supplier Assessment	0.0665		
7	Franchise Fees	2.3206		
		<u>3.1651</u>		
8	Revenue Sensitive Cost (Note 2)	\$ 0.00226	\$ 0.00014	\$ 0.00240
9	Revenue necessary to offset change in purchased gas cost and associated revenue sensitive cost	\$ 0.07134	\$ 0.00453	\$ 0.07224
10	Total Commodity/Demand Therms	93,453,564	89,716,041	
11	Adjusted Revenue Change: (Line 8 x Line 12)	\$ 6,666,977	\$ 406,414	\$ 7,073,391

Note 1 - Difference between new GRF and old GRF applied to present gas cost in rates

Note 2 - Derived:  $1/(1 - 0.031651) = \underline{\underline{1.032686}}$

Oregon Gas Operations

Calculation of 3% Amortization Increase / (Decrease) Test

Gross Revenue For 12 Months Ended 10/31/08 \$ 135,890,521

Revenue Effect of Tracker Filing

Firm (410, 420, 424 & 444) Estimated Amortization Therms 89,716,041  
Proposed Surcharge (Refund) Rate Change (\$0.10973) \$ (9,844,541)

Revenue Effect of Tracker Filing

Firm (410) Estimated Amortization Therms 54,433,987  
Proposed Surcharge (Refund) Rate Change (\$0.02794) \$ (1,520,886)

Firm (420) Estimated Amortization Therms

Proposed Surcharge (Refund) Rate Change 30,504,470 (\$0.02914) \$ (888,900)

Interruptible (440) Estimated Amortization Therms

Proposed Surcharge (Refund) Rate Change 3,737,523 (\$0.10280) \$ (384,217)

Transportation Estimated Amortization Therms

Proposed Surcharge (Refund) Rate Change 33,542,908 \$0.00000 \$ -

Total Revenue Increase (Decrease) in Amortization Surcharge (Refund) Due to Gas Tracker

\$ (12,638,544)

Over (Under) 3% Limitation

-9.30%

Rocks > 3% 13% 50% 54% 58% 72% 69% 75% 75% 75% 75% 67%  
 SUMAS > 26% 15% 45% 28% 42% 28% 31% 25% 25% 25% 25% 33%  
 AECO > 72% 72% 5% 18% 0% 0% 0% 0% 0% 0% 0% 0%

Blend	Blend	Blend	Blend	Blend	Blend	Blend	Blend	Blend	Blend	Blend	Blend	Blend
Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	

30-Sep-08	6.41	6.98	7.41	7.19	6.76	5.69	5.71	5.61	6.01	6.10	5.37	5.52
29-Sep-08	6.17	6.78	7.25	7.06	6.66	5.54	5.56	5.50	5.86	5.91	5.23	5.37
26-Sep-08	6.67	7.09	7.60	7.40	6.81	5.80	5.81	5.73	6.09	6.14	5.43	5.58
25-Sep-08	6.97	7.34	7.78	7.56	7.15	5.99	5.99	5.91	6.26	6.31	5.60	5.75
24-Sep-08	6.94	7.33	7.81	7.59	7.07	5.96	5.95	5.87	6.23	6.27	5.55	5.70
23-Sep-08	7.16	7.53	7.99	7.72	7.18	6.03	6.02	5.92	6.28	6.32	5.58	5.73
22-Sep-08	6.99	7.37	7.79	7.57	7.07	5.95	5.94	5.85	6.21	6.25	5.52	5.67
19-Sep-08	6.89	7.33	7.84	7.62	6.99	6.07	6.07	6.20	5.94	6.00	6.02	6.20
18-Sep-08	7.00	7.43	7.94	7.72	7.09	6.07	6.05	6.18	5.93	5.98	6.01	6.22
17-Sep-08	7.23	7.57	8.12	7.86	7.43	6.22	6.22	6.13	6.45	6.49	5.87	5.82
16-Sep-08	6.66	7.05	7.64	7.38	7.09	5.86	5.89	5.84	6.14	6.20	5.56	5.49
15-Sep-08	6.77	7.17	7.71	7.49	7.14	5.89	5.91	5.85	6.16	6.22	5.56	5.49
12-Sep-08	6.77	7.18	7.75	7.50	7.24	5.97	6.00	5.94	6.25	6.31	5.67	5.59
11-Sep-08	6.71	7.14	7.70	7.46	7.13	5.96	5.99	5.94	6.25	6.31	5.68	5.61
10-Sep-08	6.84	7.27	7.82	7.58	7.25	6.00	6.03	5.97	6.29	6.35	5.71	5.64
9-Sep-08	7.05	7.49	8.01	7.79	7.45	6.28	6.32	6.26	6.57	6.63	6.01	5.95
8-Sep-08	7.09	7.54	8.06	7.84	7.40	6.29	6.32	6.26	6.57	6.62	5.98	5.92
5-Sep-08	7.09	7.56	8.08	7.85	7.41	6.29	6.36	6.25	6.57	6.62	6.04	5.82
4-Sep-08	6.97	7.45	8.02	7.76	7.31	6.21	6.28	6.17	6.48	6.54	5.96	5.75
3-Sep-08	6.88	7.37	7.93	7.74	7.32	6.11	6.17	6.07	6.38	6.43	5.85	5.63
2-Sep-08	6.86	7.30	7.87	7.71	7.33	5.99	6.06	5.93	6.26	6.31	5.69	5.45
29-Aug-08	7.49	7.82	8.37	8.18	7.89	6.34	6.39	6.25	6.58	6.62	5.98	5.72
28-Aug-08	7.55	7.95	8.54	8.32	7.88	6.44	6.49	6.35	6.68	6.72	6.06	5.80
27-Aug-08	8.04	8.36	8.86	8.65	8.24	6.63	6.67	6.51	6.85	6.89	6.20	5.92
26-Aug-08	7.86	8.17	8.69	8.49	8.05	6.51	6.56	6.40	6.74	6.78	6.09	5.81
25-Aug-08	7.52	7.90	8.42	8.21	7.68	6.38	6.43	6.29	6.62	6.67	6.01	5.75
22-Aug-08	7.55	7.94	8.44	8.23	7.67	6.37	6.41	6.27	6.60	6.64	5.99	5.72
21-Aug-08	7.94	8.29	8.78	8.56	7.98	6.55	6.60	6.44	6.78	6.82	6.15	5.88
20-Aug-08	7.74	8.10	8.58	8.36	7.77	6.60	6.64	6.48	6.69	6.71	6.05	5.71
19-Aug-08	7.61	7.96	8.49	8.27	7.74	6.53	6.58	6.34	6.55	6.57	5.92	5.53
18-Aug-08	7.52	7.90	8.44	8.24	7.74	6.60	6.65	6.43	6.64	6.66	6.02	5.63
15-Aug-08	7.65	8.04	8.58	8.35	7.87	6.69	6.75	6.52	6.73	6.75	6.11	5.72
14-Aug-08	7.65	8.05	8.57	8.37	7.84	6.76	6.74	6.59	6.80	6.82	6.19	5.81
13-Aug-08	7.93	8.32	8.81	8.64	8.06	6.93	6.89	6.74	6.94	6.95	6.32	5.93
12-Aug-08	7.76	8.18	8.70	8.50	7.94	6.75	6.80	6.56	6.77	6.78	6.12	5.72
11-Aug-08	7.80	8.18	8.78	8.57	7.90	6.88	6.84	6.69	6.91	6.93	6.32	5.90
8-Aug-08	7.75	8.09	8.65	8.45	7.77	6.74	6.74	6.61	6.76	6.78	6.13	5.78
7-Aug-08	7.96	8.37	8.90	8.69	7.96	6.77	6.85	6.73	6.72	6.63	6.01	5.90
6-Aug-08	8.12	8.52	8.95	8.73	7.97	6.95	6.91	6.69	6.75	6.81	6.04	6.00
5-Aug-08	8.13	8.55	8.97	8.74	8.07	7.09	6.86	6.68	6.66	6.63	6.12	6.05
4-Aug-08	8.20	8.60	9.05	8.82	8.16	7.17	6.93	6.78	6.77	6.73	6.24	6.17
1-Aug-08	8.71	9.11	9.47	9.25	8.61	7.59	7.34	7.17	7.16	7.12	6.63	6.56

9/30/2008													
<b>Simple Average</b>													
Two mo. ave	7.35	7.75	8.27	8.05	7.55	6.37	6.37	6.26	6.50	6.53	5.92	5.78	6.89
<b>Vol Wt Average</b>													
Two mo. ave	0.87	0.77	0.21	0.26	0.45	1.05	0.75	0.37	0.32	0.38	0.42	0.84	6.6881
<b>OR Spot</b>													
Purch Volume	352,861	294,876	75,460	98,306	178,944	491,625	351,891	177,310	146,430	174,982	212,203	431,759	2,986,649

Avistia Utilities  
Oregon Gas Operations  
Forecasted Volumes

	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	12 MO END
OR 410 OR410	6,878,736	9,323,901	9,102,529	6,839,252	6,035,463	4,173,650	2,380,716	376,187	1,354,112	1,194,524	2,616,952	4,157,965	54,433,987
OR 420 OR420	3,544,586	5,064,778	4,932,478	3,691,768	3,245,801	2,436,096	1,385,371	1,979,487	813,105	1,080,150	196,195	2,154,656	30,504,470
OR 424 OR424	303,375	409,302	575,940	555,479	536,991	512,008	692,204	385,375	318,968	303,315	157,138	-150,481	4,599,613
OR 440 OR440	330,576	375,500	423,647	389,069	325,432	350,079	245,646	200,814	196,512	383,115	215,442	301,691	3,737,523
OR 444 OR444	6,375	4,670	3,433	3,447	3,453	3,444	5,802	6,155	8,480	12,027	107,182	13,502	177,970
OR 447 OR447	268,339	268,339	268,339	268,339	268,339	268,339	268,339	268,339	268,339	268,339	268,339	268,339	3,220,068
OR 456 OR456	2,526,903	2,526,903	2,526,903	2,526,903	2,526,903	2,526,903	2,526,903	2,526,903	2,526,903	2,526,903	2,526,903	2,526,903	30,322,840
COMMODITY													
Sales Volumes	11,063,648	15,178,151	15,038,026	11,479,015	10,147,141	7,475,277	4,689,739	2,948,018	2,691,176	2,973,132	3,292,908	6,477,333	93,453,564
Pipeline Fuel	284,822	379,918	382,815	293,138	260,154	190,927	120,788	75,029	64,745	68,311	79,076	165,211	2,364,935
Distribution Losses	105,105	144,192	142,861	109,051	96,398	71,015	44,553	28,006	25,566	28,245	31,283	61,535	887,809
Purchased Volume	11,453,575	15,702,262	15,563,702	11,881,204	10,503,692	7,737,219	4,855,079	3,051,053	2,781,487	3,069,688	3,403,267	6,704,079	96,706,307
DEMAND	10,733,072	14,802,651	14,614,379	11,089,946	9,821,709	7,125,198	4,444,093	2,747,204	2,494,664	2,590,017	3,077,466	6,175,642	89,716,041

## For Amortization Balance Activity

	Jul-08	Aug-08	Sep-08	Oct-08
OR 410 OR410	1,067,882	1,366,358	2,206,565	4,661,183
OR 420 OR420	897,026	1,139,823	1,276,808	2,568,189
OR 424 OR424	237,354	314,454	380,611	398,580
OR 440 OR440	180,533	399,027	215,442	301,691
OR 444 OR444	6,830	12,027	107,182	13,502
OR 447 OR447	260,258	313,171	250,840	276,321
OR 456 OR456	2,234,815	2,305,170	2,277,450	2,692,820
COMMODITY				
Sales Volumes	2,389,625	3,231,689	4,186,607	7,943,146
Pipeline Fuel	0	0	0	0
Distribution Losses	22,701	30,701	39,773	75,460
Purchased Volume	2,412,326	3,262,390	4,226,380	8,018,606
DEMAND	2,209,092	2,832,662	3,971,165	7,641,455
	<b>203,234</b>	<b>429,728</b>	<b>255,215</b>	<b>377,151</b>
	9,301,988	5,881,847	1,330,999	1,096,693
	1,100,590	9,510,256	0	0
	0	0	0	0
	17,751,068	168,635	17,919,703	16,654,375
	0	0	0	1,265,328

Avista Utilities  
Oregon Gas Operations  
Fuel Consumed by Area (in Dth)

Year	Month	Klam Falls	La Grande	Medford GTN	Medford NWP	Roseburg	TOTAL OREGON
2008	Nov	55,346	19,528	140,370	35,652	33,927	284,822
2008	Dec	80,376	25,601	179,430	46,215	48,296	379,918
2008	Jan	77,805	26,259	176,473	53,348	48,930	382,815
2009	Feb	53,201	21,094	146,130	34,577	38,136	293,138
2009	Mar	48,318	19,140	126,092	33,381	33,223	260,154
2009	Apr	34,487	12,382	92,608	26,061	25,389	190,927
2009	May	19,235	6,720	59,945	19,026	15,862	120,788
2009	Jun	12,750	4,877	33,519	11,856	12,026	75,029
2009	Jul	11,189	3,307	28,187	13,279	8,783	64,745
2009	Aug	12,519	5,789	30,648	8,997	10,357	68,311
2009	Sep	16,075	6,286	34,508	10,084	12,123	79,076
2009	Oct	31,013	11,780	78,460	22,393	21,565	165,211
							<u>2,364,934.97</u>

Source: Gas Supply





12 Months Ending:	<u>Distribution Losses</u>	<u>PGA Sales Volumes</u>
June 2004	2.21%	90,439,000
June 2005	0.65%	91,085,871
June 2006	0.92%	91,275,437
June 2007	0.00%	87,348,144
June 2008	0.98%	89,716,041
TOTAL	<u>4.76%</u>	449,864,493
5 Year Average	<u>0.95%</u>	

Westcoast Invoice conversion												Page 16	
	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-07	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	
Demand rate per tariff	411.5	411.5	411.5	411.5	411.5	411.5	411.5	411.5	411.5	411.5	411.5	411.5	411.5
411.5 *12/365 = per day rate	13.52877	13.52877	13.52877	13.52877	13.52877	13.52877	13.52877	13.52877	13.52877	13.52877	13.52877	13.52877	13.52877
13.5287671 /38.2 = per day in GJ's	0.35416	0.35416	0.35416	0.35416	0.35416	0.35416	0.35416	0.35416	0.35416	0.35416	0.35416	0.35416	0.35416
0.35415621 *1.055056 = per day in MMBtu	0.37365	0.37365	0.37365	0.37365	0.37365	0.37365	0.37365	0.37365	0.37365	0.37365	0.37365	0.37365	0.37365
0.37365463 /exchange rate = US\$ per day in MMBtu	1	1	1	1	1	1	1	1	1	1	1	1	1
exchange rate assumed to be par													
Volumes DJ433	273,167	286,750	398,904	450,215	249,549	65,247	108,005	55,773	50,431	101,725	149,903	242,471	1,000
													Use 100% exchange rate
Volumes per DJ433 in Therms	2,731,670	2,867,500	3,989,040	4,502,150	2,495,490	652,470	1,080,050	557,730	504,310	1,017,250	1,499,030	2,424,710	Single rate for PGA
													0.03737
WEI historical demand rate per therm	0.03737	0.03737	0.03737	0.03737	0.03737	0.03737	0.03737	0.03737	0.03737	0.03737	0.03737	0.03737	0.03737

Avista Utilities  
Oregon Gas Operations  
**Northwest Pipeline**

Avista Contract Number	Rate Schedule	Rate Effective Date	Contract Demand (Dth's)	Number of Days	Annual Contract Demand	Daily Rate (Dth's)	Annual Costs
100010	TF-1 (Oct - May)	01/31/08	30,871	243	7,501,653	\$ 0.37883	\$ 2,841,851
100010	TF-1 (June - Sept)	01/31/08	30,871	122	3,766,262	\$ 0.37883	\$ 1,426,773
100060	TF-1	01/31/08	14,860	365	5,423,900	\$ 0.37883	\$ 2,054,736
100315	TF-2 Jackson Prairie	01/31/08	259	365	94,535	\$ 0.37883	\$ 35,813
100403	SGS-2F Capacity	01/31/08	95,565	365	34,881,225	\$ 0.00056	\$ 19,533
100403	SGS-2F Reservation	01/31/08	2,654	365	968,710	\$ 0.01547	\$ 14,986
<b>Total NWP</b>						<b>\$ 52,636,285</b>	<b>\$ 6,393,693</b>

**TF-1 & TF-2: First Revised Sheet No. 5**  
**SGS-2F: Original Sheet No. 7**

Source: 2009 Pipeline Contracts Budget

Avista Contract Number	Rate Schedule	Rate Effective Date	Contract Demand (Dth's)	Contract Number of Days	Annual Contract Demand	Daily Non-Mileage Rate (Dth's)	Daily Mileage Rate (Dth's)	Miles	Annual Non-Mileage Costs	Annual Mileage Costs	Total Costs
182	FTS-1 Vintage	1/1/08	7,140	365	2,606,100	\$ 0.036632	\$ 0.000463	612.46	\$ 95,467	\$ 739,009	\$ 834,476
204	FTS-1, Oct - Mar	1/1/08	6,620	182	1,204,840	\$ 0.036632	\$ 0.000463	612.46	\$ 44,136	\$ 341,655	\$ 385,791
2591	FTS-1 Non-Core, Nov - Apr	1/1/08	28,500	181	5,158,500	\$ 0.036632	\$ 0.000463	612.46	\$ 188,966	\$ 1,462,791	\$ 1,651,757
2591	FTS-1 Non-Core, May - Oct	1/1/08	13,500	184	2,484,000	\$ 0.036632	\$ 0.000463	612.46	\$ 90,994	\$ 704,385	\$ 795,379
2857	E-2 Lateral Nov - Apr *	1/1/08	30,000	181	5,430,000	\$ -	\$ 0.008275	88.10	\$ -	\$ 3,958,619	\$ 3,958,619
2857	E-2 Lateral, May - Oct *	1/1/08	15,000	184	2,760,000	\$ -	\$ 0.008275	88.10	\$ -	\$ 2,012,116	\$ 2,012,116
2858	E-1 Lateral	1/1/08	1,400	365	511,000	\$ 0.014747	\$ 0.003290	22.84	\$ 7,536	\$ 38,398	\$ 45,934
8035	E-2 Lateral, Nov - Apr *	1/1/08	20,000	181	3,620,000	\$ -	\$ 0.008275	88.10	\$ -	\$ 2,639,080	\$ 2,639,080
					<b>Total TCPL - GTN System</b>						<b>\$ 12,323,152</b>

**3rd Revised Volume No. 1-A  
 Thirteenth Revised Sheet No. 4**

Source: 2009 Pipeline Contracts Budget

\* Medford Lateral (E-2) rate revised from .007382 to .008275 Dth-mile, effective November 1, 2008

Reference	Description	Rate Effective Date	Contract Demand (GJ)	Number of Months	Annual Contract Demand (GJ)	Daily Mileage Rate	Miles	Annual Mileage Costs
<b>TransCanada - Foothills</b>								
AVA-F2	Firm Transport	4/01/08	1,861	6	11,168	\$0.010145	170.70	\$19,289
AVA-F3	Firm Transport	4/01/08	8,086	12	97,032	\$0.010145	170.70	\$167,969
WWP-F1	Firm Transport Oct-Mar	4/01/08	15,154	6	90,923	\$0.010145	170.70	\$157,463
WWP-F1	Firm Transport Apr-Sep	4/01/08	8,292	6	49,752	\$0.010145	170.70	\$86,161
WWP-F2	Firm Transport	4/01/08	10,127	12	121,521	\$0.010145	170.70	\$210,453
WWP-F3	Firm Transport	4/01/08	4,372	12	52,469	\$0.010145	170.70	\$90,867
	Subtotal before conversion		47,892		370,395			\$ 732,203

Conversion			
GJ	370,395	Chd \$	\$ 732,203
Factor	1.055056	Ex Rate	100%
Dth	<b>351,067</b>	USD \$	<b>\$ 732,203</b>

**Total TCPL - Foothills**

Reference	Description	Rate Effective Date	Contract Demand (GJ)	Number of Months	Annual Contract Demand (GJ)	Daily Mileage Rate	Miles	Annual Mileage Costs
<b>TransCanada - NOVA</b>								
2005-18440-2	Firm Transport	1/01/08	4,746	12	56,946	\$4.450000		\$253,411
2005-19143-7	Firm Transport	1/01/08	3,323	12	39,877	\$4.450000		\$177,451
2005-19143-8	Firm Transport	1/01/08	5,798	12	69,573	\$4.450000		\$309,599
2005-19143-9	Firm Transport	1/01/08	277	12	3,326	\$4.450000		\$14,800
2005-19144-0	Firm Transport	1/01/08	17,392	12	208,706	\$4.450000		\$928,742
2005-21322-4	Firm Transport	1/01/08	8,652	5	43,259	\$5.562500		\$240,627
	Subtotal before conversion		40,187		421,687			\$ 1,924,631

Conversion			
GJ	421,687	Chd \$	\$ 1,924,631
Factor	1.055056	Ex Rate	100%
Dth	<b>399,682</b>	USD \$	<b>\$ 1,924,631</b>

**Total TCPL - NOVA**

Source: 2008 Pipeline Contracts Budget  
Exchange Rate: BankofCanada.ca website - Quarterly Average

Reference	Rate Effective Date	Description	Forecasted Therms	Daily Rate (MMBTu)	Proposed Demand Costs
	10/1/2007	<b>Total Tuscarora</b>	24,000	\$ 1.21667	\$ 29,200

Source: 2008 Pipeline Contracts Budget

Ninth Revised Sheet No. 4

**Spectra Energy - Westcoast Energy Inc.**

	Rate Effective Date	Contract Demand E <sup>3</sup> M <sup>3</sup>	Number of Days	Annual Contract E <sup>3</sup> M <sup>3</sup>	Daily Rate	Annual Costs
Spectra Energy						
Firm Transport	7/01/08	51.70	365	18,871	\$13.53	\$255,295

	Conversion	
E <sup>3</sup> M <sup>3</sup>	18,870.50	Cnd \$ \$255,295
Factor (*)	38.250000	Ex Rate 100%
GJ	721,797	USD \$ \$255,295
Factor (/)	1.0550560	
Dth	684,131	

Exchange Rate Source: WEI Embedded Costs tab (Page 16)

Avista Utilities  
Oregon Gas Operations  
**Mist Storage**

	<u>Storage Cost</u>
15,000 x 12months = \$180,000 x \$3.55 =	639,000
500,000 x 12 months = \$6,000,000 x \$.05 =	<u>300,000</u>
Northwest Natural - Mist Storage	<u><u>\$ 939,000</u></u>

Source: Mist Agreement tab (Page 22a)



Agreement No. A1

**Service Agreement for Firm Interstate Storage Service**

This Agreement sets forth the terms and conditions according to which Northwest Natural Gas Company ("Owner") agrees to provide and Avista Corporation ("Customer") agrees to purchase firm Storage Service pursuant to the certificate issued to Owner by the Federal Energy Regulatory Commission ("FERC") under Section 284.224 of FERC's rules and regulations.

1. **Applicable Terms, Conditions, Rules and Regulations:** Firm Storage Service will be provided in accordance with the terms and conditions of Owner's FERC certificate, applicable FERC rules and regulations, this Agreement, and the terms and conditions set forth in Owner's currently effective Operating Statement ("O.S."), which may be revised from time to time as approved by FERC. Such terms and conditions are incorporated in and made a part of this Agreement by this reference. Except where expressly modified or supplemented by the terms of this Agreement, the terms of the O.S. apply to and govern the transactions contemplated by this Agreement. Capitalized terms shall have the meaning assigned to such terms in the O.S. unless otherwise indicated.
  
2. **Effective Date and Term:** This Agreement shall be effective on May 1, 2008, and shall continue until March 31, 2010 (the "Term").
  
3. **Quantity Terms:**

MDIQ:	6,000 Dth/day.
MDWQ:	15,000 Dth/day firm MDWQ until Working Gas is below 50%, then Customer's firm and as-available withdrawal amounts are as provided for in Table 1, attached hereto and made a part hereof.
MSC:	500,000 Dth; cycling permitted as long as inventory level does not drop below zero Dth; no requirement to empty inventory level at end of winter season (except at the end of the Term).
  
4. **Rates:** The rates for Firm Storage Service are discounted from Owner's maximum cost-based rates, as set forth below.
 

<u>Reservation Charge:</u>	\$ 3.55 per Dth of deliverability per month.
<u>Capacity Charge:</u>	\$ 0.05 per Dth of MSC Working Gas inventory per month.
<u>Fuel Charge:</u>	2% fuel-in-kind charge for each Dth of gas injected during a given month.
<u>Other Charges:</u>	Any applicable taxes or charges per Owner's O.S.
  
5. **Delivery and Receipt Point(s):** Unless otherwise mutually agreed between the parties, the receipt and delivery point(s) shall be: the Northwest Pipeline/NW Natural Deer Island Gate, the Northwest Pipeline/Molalla Gate, or other mutually agreeable points.
  
6. **Address for Notices to Customer:** Avista Corporation, Attn: Kevin Christie, 1411 East Mission, P.O. Box 3727, Spokane, WA 99220-3727. Email: [kevin.christie@avistacorp.com](mailto:kevin.christie@avistacorp.com) Phone: (509)495-2001; Fax: (509)777-5006.

Avista Utilities  
Oregon Gas Operations  
Miscellaneous Demand Related Cost/(Credit)  
Total Long-term Capacity Release Credits

Year	Month	NWP-OR
2008	Nov	(282,000)
2008	Dec	(291,400)
2009	Jan	(291,400)
2009	Feb	(263,200)
2009	Mar	(291,400)
2009	Apr	(282,000)
2009	May	(291,400)
2009	Jun	(282,000)
2009	Jul	(291,400)
2009	Aug	(291,400)
2009	Sep	(282,000)
2009	Oct	(291,400)
	Total	<u>(3,431,000)</u>

Releases are based on current rates in effect for GTN and NWP.

Avista Utilities  
Oregon Gas Operations  
Total Variable Transportation Cost

Split 5 day demand calculation 30%

		<b>Variable</b>	
<b>Year</b>	<b>Month</b>	<b>Transport Cost</b>	<b>OR</b>
2008	Nov	80,006.41	24,001.92
2008	Dec	95,001.67	28,500.50
2009	Jan	93,443.31	28,032.99
2009	Feb	120,465.61	36,139.68
2009	Mar	65,805.62	19,741.69
2009	Apr	80,757.49	24,227.25
2009	May	59,901.66	17,970.50
2009	Jun	31,946.59	9,583.98
2009	Jul	89,153.60	26,746.08
2009	Aug	60,803.03	18,240.91
2009	Sep	39,483.25	11,844.97
2009	Oct	59,711.03	17,913.31
		876,479.25	262,943.78

Source: 2009-2013 Sendout Forecast

**Storage Injections and Withdrawals (Dth)**

Source: Gas Supply Proposed Storage Schedule  
 2008/2009 Winter Withdrawal  
 2008 Summer Injection

	STORAGE WITHDRAWAL/INJECTION (DTH)		INJECTION PRICE	STORAGE WITHDRAWAL/INJECTION (\$)		WACOG
	Injection/(Withd)	Balance		Injection/Withd	Balance \$	
Sep-08		818,414	0.00	\$ -	\$ 6,398,718	\$ 7.818
Oct-08		818,414	0.00	\$ -	\$ 6,398,718	\$ 7.818
Nov-08		818,414	0.00	\$ -	\$ 6,398,718	\$ 7.818
Dec-08	-	818,414	0.00	\$ -	\$ 6,398,718	\$ 7.818
Jan-09	(454,150)	364,264	0.00	\$ (3,550,743)	\$ 2,847,975	\$ 7.818
Feb-09	(275,800)	88,464	0.00	\$ (2,156,325)	\$ 691,650	\$ 7.818
Mar-09	(117,800)	(29,336)	0.00	\$ (921,012)	\$ (229,362)	\$ -
Apr-09	-	(29,336)	0.00	\$ -	\$ (229,362)	\$ -
May-09	-	(29,336)	0.00	\$ -	\$ (229,362)	\$ -
Jun-09	-	(29,336)	0.00	\$ -	\$ (229,362)	\$ -

Source: Nucleus  
 Data revised since original filing

Oregon				
Month	Dth *	Hedged Natural Gas *	Price *	
Nov-08	781,986	\$ 7,246,990.00	\$	9.2674
Dec-08	1,260,931	\$ 12,042,917.24	\$	9.5508
Jan-09	1,012,475	\$ 9,352,743.49	\$	9.2375
Feb-09	803,109	\$ 7,180,211.85	\$	8.9405
Mar-09	743,985	\$ 6,286,418.00	\$	8.4497
Apr-09	274,995	\$ 2,097,841.00	\$	7.6287
May-09	129,162	\$ 1,016,894.00	\$	7.8730
Jun-09	124,995	\$ 984,091.00	\$	7.8730
Jul-09	129,162	\$ 1,016,894.00	\$	7.8730
Aug-09	129,162	\$ 1,016,894.00	\$	7.8730
Sep-09	124,995	\$ 984,091.00	\$	7.8730
Oct-09	232,495	\$ 1,749,010.00	\$	7.5228
	5,747,451	\$ 50,974,995.58	\$	8.8691

Source: Gas Supply

Avista Utilities  
Oregon Gas Operations  
All Sales Customers Amortization Rate  
Account 191905

	Sales Therms	Amortization (0.05257)	Interest 4.27%	Balance
				(4,838,197.53)
Nov/08	11,063,648	581,637.01	(16,181.09)	(4,272,741.61)
Dec/08	15,178,151	797,944.24	(13,784.16)	(3,488,581.53)
Jan/09	15,038,026	790,577.61	(11,006.97)	(2,709,010.89)
Feb/09	11,479,015	603,473.64	(8,565.88)	(2,114,103.13)
Mar/09	10,147,141	533,454.47	(6,573.58)	(1,587,222.24)
Apr/09	7,475,277	392,989.55	(4,948.67)	(1,199,181.36)
May/09	4,689,739	246,548.49	(3,828.44)	(956,461.31)
Jun/09	2,948,018	154,982.91	(3,127.67)	(804,606.07)
Jul/09	2,691,176	141,480.26	(2,611.34)	(665,737.15)
Aug/09	2,973,132	156,303.19	(2,090.83)	(511,524.79)
Sep/09	3,292,908	173,114.43	(1,512.18)	(339,922.54)
Oct/09	6,477,333	340,525.73	(603.71)	(0.52)
	<u>93,453,564</u>			

Avista Utilities  
Oregon Gas Operations  
All Firm Sales Customers Amortization Rate  
Account 191902

	Firm Sales Therms	Amortization 0.00624	Interest 4.27%	Balance
				551,640.18
Nov/08	10,733,072	(67,003.81)	1,843.71	486,480.08
Dec/08	14,802,651	(92,409.14)	1,566.65	395,637.59
Jan/09	14,614,379	(91,233.81)	1,245.49	305,649.27
Feb/09	11,089,946	(69,231.68)	964.43	237,382.02
Mar/09	9,821,709	(61,314.40)	735.60	176,803.22
Apr/09	7,125,198	(44,480.78)	549.99	132,872.43
May/09	4,444,093	(27,743.33)	423.44	105,552.54
Jun/09	2,747,204	(17,150.09)	345.08	88,747.53
Jul/09	2,494,664	(15,573.55)	288.09	73,462.07
Aug/09	2,590,017	(16,168.81)	232.64	57,525.90
Sep/09	3,077,466	(19,211.83)	170.52	38,484.59
Oct/09	6,175,642	(38,552.95)	68.35	(0.01)
	<u>89,716,041</u>			

Avista Utilities  
Oregon Gas Operations  
410 & 420 Sales Customers Amortization Rate  
Account 191890 Margin Reduction Account

	Sales Therms 410 / 420	Amortization 0.00562	Interest 4.27%	Balance
				470,607.22
Nov/08	10,423,322	(58,625.71)	1,570.27	413,551.78
Dec/08	14,388,679	(80,928.76)	1,327.57	333,950.59
Jan/09	14,035,006	(78,939.54)	1,047.86	256,058.91
Feb/09	10,531,020	(59,231.46)	805.76	197,633.21
Mar/09	9,281,265	(52,202.24)	610.37	146,041.34
Apr/09	6,609,747	(37,176.35)	453.52	109,318.51
May/09	3,746,087	(21,069.77)	351.51	88,600.25
Jun/09	2,355,674	(13,249.43)	291.70	75,642.52
Jul/09	2,167,216	(12,189.45)	247.47	63,700.54
Aug/09	2,274,675	(12,793.85)	203.91	51,110.60
Sep/09	2,813,146	(15,822.47)	153.72	35,441.85
Oct/09	6,312,621	(35,505.18)	62.94	(0.39)
	<u>84,938,457</u>			



Avista Utilities  
Oregon Gas Operations  
410 Sales Customers Amortization Rate  
Account 191720 CUB Intervenor Funding  
Account 191722 Issues Fund

	Sales Therms 410	Amortization 0.00116	Interest 4.27%	Balance
				62,313.00
Nov/08	6,878,736	(7,993.31)	207.51	54,527.20
Dec/08	9,323,901	(10,834.66)	174.75	43,867.29
Jan/09	9,102,529	(10,577.42)	137.28	33,427.15
Feb/09	6,839,252	(7,947.43)	104.81	25,584.53
Mar/09	6,035,463	(7,013.40)	78.56	18,649.69
Apr/09	4,173,650	(4,849.91)	57.73	13,857.51
May/09	2,380,716	(2,766.47)	44.39	11,135.43
Jun/09	376,187	(437.14)	38.85	10,737.14
Jul/09	1,354,112	(1,573.52)	35.41	9,199.03
Aug/09	1,194,524	(1,388.07)	30.26	7,841.22
Sep/09	2,616,952	(3,040.98)	22.49	4,822.73
Oct/09	4,157,965	(4,831.69)	8.56	(0.40)
	<u>54,433,987</u>			

Avista Utilities  
Oregon Gas Operations  
Commercial Energy Efficiency - Amortization  
Account 186790

	Firm Sales Therms	Amortization 0.03394	Interest 4.27%	Balance
				2,998,962.41
Nov/08	10,733,072	(364,262.63)	10,023.22	2,644,723.00
Dec/08	14,802,651	(502,377.38)	8,516.99	2,150,862.61
Jan/09	14,614,379	(495,987.75)	6,771.04	1,661,645.90
Feb/09	11,089,946	(376,374.35)	5,243.06	1,290,514.61
Mar/09	9,821,709	(333,332.47)	3,999.03	961,181.17
Apr/09	7,125,198	(241,817.40)	2,989.97	722,353.74
May/09	4,444,093	(150,825.13)	2,302.03	573,830.64
Jun/09	2,747,204	(93,235.54)	1,876.00	482,471.10
Jul/09	2,494,664	(84,664.77)	1,566.16	399,372.49
Aug/09	2,590,017	(87,900.87)	1,264.71	312,736.33
Sep/09	3,077,466	(104,444.08)	927.00	209,219.25
Oct/09	6,175,642	(209,591.04)	371.57	(0.22)
	<u>89,716,041</u>			

	Amount	Location in Company Filing (cite)
<b>1) Change in Annual Revenues</b> (Per OAR 860-022-0017(3)(a))		
A) Dollars (To .1 million)	(\$5,600,000)	Workpapers Page 3
B) Percent (To .1 percent)	-4.1%	Workpapers Page 1
<b>2) Annual Revenues Calculation (Whole Dollars)</b>		
A) PGA Cost Change (Commodity & Transportation)	\$7,073,391	Workpapers Page 3
B) Remove Last Year's Temporary Increment Total	(\$11,846,317)	Workpapers Page 3
C) Add New Temporary Increment	(\$792,228)	Workpapers Page 3
<i>below -- Attach additional sheet if necessary)</i>		
1) Per Commission Approved Stipulation in Docket UG-153, Order No. 03-570	\$0	
2)		
E) Total Proposed Change	(\$5,565,153)	Workpapers Page 1
<b>3) Residential Bill Effects Summary</b>		
A) Residential Schedule Rate Impacts		
1) Current Billing Rate per Therm	\$1.40692	Workpapers Page 2
2) Proposed Billing Rate per Therm	\$1.34512	Workpapers Page 2
3) Rate Change Per Therm	-\$0.06180	Calculation
4) Percent Change per Therm (to .1%)	-4.4%	Calculation
B) Average Residential Bill Impact		
1) Average Residential Monthly Use (whole therms)	53	Workpapers Page 1
2) Customer Charge	\$5.50	Workpapers Page 1
3) Current Average Monthly Bill	\$80.07	Workpapers Page 1
4) Proposed Average Monthly Bill	\$76.79	Workpapers Page 1
5) Change in Average Monthly Bill	-\$3.28	Calculation
6) Percent change in Average Monthly Bill (to .1%)	-4.1%	Workpapers Page 1
C) Average January Residential Bill Impact		
1) Average January 2008 Residential Use (whole therms)	100	Calculation
2) Customer Charge	\$5.50	Workpapers Page 1
3) Current Average January Bill	\$146.19	Calculation
4) Proposed Average January Bill	\$140.01	Calculation
5) Change in Average January Bill	-\$6.18	Calculation
6) Percent change in Average January Bill (to .1%)	-4.2%	Calculation
<b>4) Breakdown of Costs</b>		
A) Embedded in Rates		
1) Total Commodity Cost		
a) Total Demand Cost (assoc. w/ supply)	(\$908,780)	Workpapers Page 7
b) Total Peaking Cost (assoc. w/ supply)		
c) Total Reservation Cost (assoc. w/ supply)		
d) Total Vaporization Cost (assoc. w/ supply)		
e) Total Volumetric Cost (assoc. w/ supply)	\$77,603,613	Workpapers Page 7
f) Total Storage Cost (assoc. w/ supply)		
g) Other (A&G Benchmark Savings)		
2) Total Transportation Cost (Pipeline related)		
a) Total Upstream Canadian Toll		
i. Total Demand, Capacity, or Reservation Cost		
ii. Total Volumetric Cost		
b) Total Domestic Cost		
i. Total Demand, Capacity, or Reservation Cost	\$23,505,954	Workpapers Page 8
ii. Total Volumetric Cost	\$0	
3) Total Storage Costs	\$908,780	Workpapers Page 8
4) Capacity Release Credits	(\$3,431,000)	Workpapers Page 8
5) Total Gas Costs	\$97,678,567	Workpapers Page 8

	Amount	Location in Company Filing (cite)
<b>B) Projected For New Rates</b>		
1) Total Commodity Cost		
a) Total Demand Cost (assoc. w/ supply)	\$908,780	Workpapers Page 7
b) Total Peaking Cost (assoc. w/ supply)		
c) Total Reservation Cost (assoc. w/ supply)		
d) Total Vaporization Cost (assoc. w/ supply)		
e) Total Volumetric Cost (assoc. w/ supply)	\$76,694,833	Workpapers Page 7
f) Total Storage Cost (assoc. w/ supply)		
g) Other (A&G Benchmark Savings)		
2) Total Transportation Cost ( <i>Pipeline related</i> )		
a) Total Upstream Canadian Toll		
i. Total Demand, Capacity, or Reservation Cost		
ii. Total Volumetric Cost		
b) Total Domestic Cost		
i. Total Demand, Capacity, or Reservation Cost	\$16,877,874	Workpapers Page 8
ii. Total Volumetric Cost		
3) Total Storage Costs	\$6,628,080	Workpapers Page 7
4) Capacity Release Credits	(\$3,431,000)	Workpapers Page 8
5) Total Gas Costs	\$97,678,567	Calculation
<b>5) WACOG (<i>Weighted Average Cost of Gas</i>)</b>		
<b>A) Embedded in Rates</b>		
1) WACOG ( <i>Commodity Only</i> )	\$0.76414	Workpapers Page 7
2) WACOG ( <i>w/ Transportation</i> )	\$0.76414	Workpapers Page 7
<b>B) Proposed for New Rates</b>		
1) WACOG ( <i>Commodity Only</i> )	\$0.75641	Calculation
2) WACOG ( <i>w/ Transportation, Storage, Other</i> )	\$0.83040	Calculation
<b>6) Therms Sold (<i>Whole Therms</i>)</b>	93,453,564	Workpapers Page 12

<b>8) Purchasing/ Hedging Strategies</b> Prepare 1-2 page summary of gas cost situation to include resources, purchasing strategy, hedging, and pipeline issues. Within the summary include:	
<b>A) Resources embedded in current rates and an explanation of proposed resources.</b>	
1) Firm Pipeline Capacity	
a) Year-round supply contracts	N/A
b) Winter-only contracts	N/A
c) Reliance on Spot Gas/Other Short Term Contracts	N/A
d) Other - e.g. Supply area storage	N/A
2) Market Area Storage	
a) Underground-owned	N/A
b) Underground- contracted	N/A
c) LNG-owned	N/A
d) LNG-contracted	N/A
3) Other Resources	
a) Recallable Supply	N/A
b) City gate Deliveries	N/A
c) Owned-Production	N/A
d) Propane/Air	N/A
<b>B) Were there any major events that caused a change in your purchasing strategy? If so, what were the events and how did your strategy change in response to them?</b>	
<b>C) How are your purchasing/hedging strategies different from those outlined in your last filed IRP or 2-year action plan?</b>	

Hedging Strategy is part of the company's risk management policy that has been previously supplied to staff.

7) Customer Assistance Programs <i>(Include a brief explanation of each on a separate sheet)</i>	Name of Program and Tariff Sheet No. <i>(if applicable)</i>
<b>A) DSM Programs</b>	
1) Energy Efficiency Programs	
	Schedule 487 - Commercial Energy Conservation Services Program
	Schedule 490 - High Efficiency Space Heating Equipment Program
	Schedule 491 - High Efficiency Water heating Equipment Program
	Schedule 492 - Commercial/Industrial DSM Incentive Program
2) Mandated Energy Audits	Schedule 486 - Residential Energy Efficiency Schedule
3) Any other DSM Program	
<b>B) Bill Pay Assistance Programs</b>	
1) Tariffed Programs	Schedule 493 - Residential Low Income Rate Assistance Program (LIRAP)
	Schedule 494 - Energy Efficiency Services/Programs through Energy Trust of Oregon
2) Below-the-line Programs	Project Share
	Low Income Heating and Energy Assistance Program (LIHEAP - State & Federal)
	Comfort Level Billing
	Cares
<b>C) Other Programs</b>	
1) Payment Arrangements	

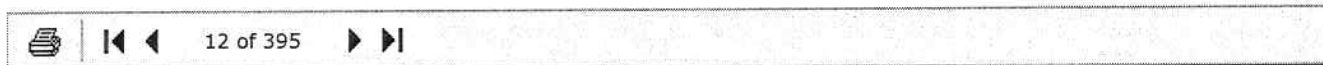
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TF0305 0010003P158First Revised Sheet No. 5  
 TF04 Original Sheet No. 5  
 TF05Laren M. Gertsch, Director  
 TF06082808 100108

STATEMENT OF RATES  
 Effective Rates Applicable to  
 Rate Schedules TF-1, TF-2, TI-1, TFL-1 and TIL-1  
 (Dollars per Dth)

Rate Schedule and Type of Rate	Base Tariff Rate		ACA(2)	Currently Effective Tariff Rate(3)	
	Minimum	Maximum		Minimum	Maximum
Rate Schedule TF-1 (4) (5)					
Reservation					
(Large Customer)					
System-Wide	.00000	.37883	-	.00000	.37883
15 Year Evergreen Exp.	.00000	.37995	-	.00000	.37995
25 Year Evergreen Exp.	.00000	.36344	-	.00000	.36344
Volumetric					
(Large Customer)					
System-Wide	.00756	.03000	.00170	.00926	.03170
15 Year Evergreen Exp.	.00369	.00369	.00170	.00539	.00539
25 Year Evergreen Exp.	.00369	.00369	.00170	.00539	.00539
(Small Customer) (6)					
	.00756	.67209	.00170	.00926	.67379
Scheduled Overrun	.00756	.40984	.00170	.00926	.41154
Rate Schedule TF-2 (4) (5)					
Reservation	.00000	.37883	-	.00000	.37883
Volumetric	.00756	.03000	-	.00756	.03000
Scheduled Daily Overrun	.00756	.40984	-	.00756	.40984
Annual Overrun	.00756	.40984	-	.00756	.40984
Rate Schedule TI-1					
Volumetric (7)	.00756	.40984	.00170	.00926	.41154
Scheduled Overrun	.00756	.40984	.00170	.00926	.41154
Rate Schedule TFL-1 (4) (5)					
Parachute Lateral (9)					
Reservation	.00000	.07357	-	.00000	.07357
Volumetric	.00000	.00000	.00170	.00170	.00170
Scheduled Overrun	.00000	.07377	.00170	.00170	.07547
Rate Schedule TIL-1					
Parachute Lateral (9)					
Volumetric	.00000	.07377	.00170	.00170	.07547
Scheduled Overrun	.00000	.07377	.00170	.00170	.07547

nwp



TF0307 000003P128Original Sheet No. 7  
 TF04  
 TF05Laren M. Gertsch, Director  
 TF06121907 013108

## STATEMENT OF RATES (Continued)

Effective Rates Applicable to Rate Schedules SGS-2F and SGS-2I

(Dollars per Dth)

Rate Schedule and Type of Rate	Currently Effective Tariff Rate (1)	
	Minimum	Maximum
Rate Schedule SGS-2F (2) (3)		
Demand Charge		
Pre-Expansion Shipper	0.00000	0.01547
Interim Best-Efforts Withdrawal Charge		
Expansion Shipper	0.00000	0.01547
Capacity Demand Charge		
Pre-Expansion Shipper	0.00000	0.00056
Expansion Shipper - 2008 Phase	0.00000	0.00264
Volumetric Bid Rates		
Withdrawal Charge		
Pre-Expansion Shipper	0.00000	0.01547
Storage Charge		
Pre-Expansion Shipper	0.00000	0.00056
Expansion Shipper - 2008 Phase	0.00000	0.00264
Rate Schedule SGS-2I		
Volumetric	0.00000	0.00113

## Footnotes

- (1) Shippers receiving service under these rate schedules are required to furnish fuel reimbursement in-kind at the rates specified on Sheet No. 14.



GTN

[Previous](#) [Next](#) [Search](#)

Gas Transmission Northwest Corporation  
 FERC Gas Tariff  
 Third Revised Volume No. 1-A

Substitute Thirteenth Revised Sheet No. 4  
 Superseding  
 Substitute Twelfth Revised Sheet No. 4

STATEMENT OF EFFECTIVE RATES AND CHARGES FOR  
 TRANSPORTATION OF NATURAL GAS  
 Rate Schedules FTS-1 and LFS-1

	RESERVATION		RESERVATION		DELIVERY (c)		FUEL (d)	
	DAILY MILEAGE (a) (Dth-MILE)	DAILY NON-MILEAGE (b) (Dth)	DAILY MILEAGE (a) (Dth-MILE)	DAILY NON-MILEAGE (b) (Dth)	MAXIMUM MINIMUM	MAXIMUM MINIMUM	MAXIMUM MINIMUM	MAXIMUM MINIMUM
BASE	0.000463	0.000000	0.036632	0.000000	0.000016	0.000016	0.0050%	0.0000%
STF(e)	(e)	0.000000	(e)	0.000000	0.000016	0.000016	0.0050%	0.0000%
EXTENSION CHARGES								
MEDFORD								
E-1(f)	0.003290	0.000000	0.005498	0.000000	0.000026	0.000026	---	---
E-2(g) (1) (WWP)	0.007382	0.000000	---	---	0.000000	0.000000	---	---
<i>Revised - See page 39</i>								
E-2(h) (1) (Diamond 1)	0.002964	0.000000	---	---	0.000000	0.000000	---	---
E-2(h) (1) (Diamond 2)	0.001163	0.000000	---	---	0.000000	0.000000	---	---
COYOTE SPRINGS								
E-3(i)	0.001412	0.000000	0.001420	0.000000	0.000000	0.000000	---	---
OVERRUN CHARGE(j)	---	---	---	---	---	---	---	---
SURCHARGES								
ACA (k)	---	---	---	---	0.001900	0.001900	---	---

Issued by: John A Roscher, Director of Rates & Regulatory Affairs  
 Issued on: February 14, 2008 Effective on: January 1, 2008  
 Filed to comply with order of the Federal Energy Regulatory Commission, Docket

GTN



September 30, 2008

TransCanada's GTN System

John A. Roscher  
Director, Rates & Regulatory Affairstel 503.833.4254  
fax 503.833.4918  
email John\_Roscher@TransCanada.com  
web www.gastransmissionnw.comMs. Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
Dockets Room, Room 1A  
888 First Street, N.E.  
Washington, D.C. 20426Re: Gas Transmission Northwest Corporation  
Change in FERC Gas Tariff  
Docket No. RP08-

Dear Ms. Bose:

Pursuant to Section 154.403 of the Federal Energy Regulatory Commission's ("FERC or Commission") Regulations, Gas Transmission Northwest Corporation ("GTN") respectfully submits for filing Fifteenth Revised Sheet No. 4 to its FERC Gas Tariff, Third Revised Volume No. 1-A, to modify the rate for service on GTN's Medford Extension under Rate Schedule FTS-1(E-2)(WWP) in accordance with the negotiated rate formula for that service. This sheet reflects an increase in the maximum FTS-1(E-2)(WWP) mileage reservation rate from \$0.007382/Dth-mile to \$0.008275/Dth-mile. GTN requests that the Commission accept Fifteenth Revised Sheet No. 4 to become effective November 1, 2008.

The names, titles, mailing addresses, and telephone numbers of those persons to whom correspondence and communications concerning this filing should be addressed are as follows:

Carl M. Fink  
Associate General Counsel  
\* John A. Roscher  
Director, Rates and Regulatory Affairs  
Gas Transmission Northwest Corporation  
1400 SW 5<sup>th</sup> Avenue, Suite 900  
Portland, OR 97201  
Telephone: (503) 833-4254  
E-mail: John\_Roscher@transcanada.com

\* Lee A. Alexander  
Stefan M. Krantz  
Hogan & Hartson, LLP  
555 Thirteenth Street, N.W.  
Washington, DC 20004  
Telephone: (202) 637-5526  
E-mail: LAAlexander@hhlaw.com

\*Persons designated for official service pursuant to Rule 2010.

## TABLE OF EFFECTIVE RATES

**1. Rate Schedule FT, Firm Transportation Service**

	Demand Rate (\$/GJ/Km/Month)
Zone 6	0.0067213026
Zone 7	0.0073436317
Zone 8*	0.0101454567
Zone 9	0.0094198745

**2. Rate Schedule OT, Overrun Transportation Service**

	Commodity Rate (\$/GJ/Km)
Zone 6	0.0002424076
Zone 7	0.0002648523

**3. Rate Schedule IT, Interruptible Transportation Service**

	Commodity Rate (\$/GJ/Km)
Zone 8*	0.0003659017
Zone 9	0.0003397332

\*For Zone 8, Shippers Haul Distance shall be 170.7 km.

Service	Rates, Tolls and Charges		
1. Rate Schedule FT-R	Refer to Attachment "1" for applicable FT-R Demand Rate per month & Surcharge for each Receipt Point Average Firm Service Receipt Price (AFSRP) \$168.24/10 <sup>3</sup> m <sup>3</sup>		
2. Rate Schedule FT-RN	Refer to Attachment "1" for applicable FT-RN Demand Rate per month & Surcharge for each Receipt Point		
3. Rate Schedule FT-D	FT-D Demand Rate per month \$ 4.45/GJ		
4. Rate Schedule STFT	STFT Bid Price. Minimum bid of 100% of FT-D Demand Rate		
5. Rate Schedule FT-DW	FT-DW Bid Price. Minimum bid of 125% of FT-D Demand Rate		
6. Rate Schedule FT-A	FT-A Commodity Rate \$ 0.48/10 <sup>3</sup> m <sup>3</sup>		
7. Rate Schedule FT-P	Refer to Attachment "2" for applicable FT-P Demand Rate per month		
8. Rate Schedule LRS	<u>Contract Term</u>	<u>Effective LRS Rate (\$/10<sup>3</sup>m<sup>3</sup>/day)</u>	
	1-5 years	10.08	
	6-10 years	8.42	
	15 years	7.55	
	20 years	6.71	
9. Rate Schedule LRS-2	LRS-2 Rate per month \$50,000		
10. Rate Schedule LRS-3	LRS-3 Demand Rate per month \$129.55/10 <sup>3</sup> m <sup>3</sup>		
11. Rate Schedule IT-R	Refer to Attachment "1" for applicable IT-R Rate & Surcharge for each Receipt Point		
12. Rate Schedule IT-D	IT-D Rate \$ 0.1606/GJ		
13. Rate Schedule FCS	The FCS Charge is determined in accordance with Attachment "1" to the applicable Schedule of Service		
14. Rate Schedule PT	<u>Schedule No</u>	<u>PT Rate</u>	<u>PT Gas Rate</u>
	9006-01000-0	\$ 67.22/d	1.0 10 <sup>3</sup> m <sup>3</sup> /d
15. Rate Schedule OS	<u>Schedule No.</u>	<u>Charge</u>	
	2003034359-2	\$ 899.00 / month	
	2007262666-1	\$ 434.00 / month	
	2006253651-1	\$ 11.00 / month	
	2007262711-1	\$ 6.00 / month	
	2007262709-1	\$ 303.00 / month	
	2007262728-1	\$ 859.00 / month	
	2007262705-1	\$ 1,220.00 / month	
	2007263949-1	\$ 46.00 / month	
	2007262175-1	\$ 438.00 / month	
	2007262669-1	\$ 95.00 / month	
	2007262602-1	\$ 4.00 / month	
	2007262701-1	\$ 9.00 / month	
	2007262727-1	\$ 17.00 / month	
	2007262698-1	\$ 43.00 / month	
	2007262609-1	\$ 7.00 / month	
	2007262668-1	\$ 19.00 / month	
	2007262697-1	\$ 1,760.00 / month	
	2007263948-1	\$ 90.00 / month	
	2003004522-2	\$ 83,333.00 / month	
16. Rate Schedule CO <sub>2</sub>	<u>Tier</u>	<u>CO<sub>2</sub> Rate (\$/10<sup>3</sup>m<sup>3</sup>)</u>	
	1	630.10	
	2	503.07	
	3	349.65	

Tuscarora

TUSCARORA GAS TRANSMISSION COMPANY  
 FERC Gas Tariff  
 Original Volume No. 1

Ninth Revised Sheet No. 4  
 Superseding  
 Eighth Revised Sheet No. 4

APPLICABLE TO SETTLEMENT PARTIES PURSUANT TO THE  
 MAY 31, 2006 SETTLEMENT AGREEMENT IN FERC DOCKET NO. RP06-380-000  
 (FOR RATES APPLICABLE TO NON-SETTLING PARTIES SEE SHEET NO. 4A)

FT RATE SCHEDULE  
 CURRENTLY EFFECTIVE RATES 1/

Reservation Charge (Maximum)	\$12.1667	<i>no change</i>
(Minimum)	\$ 0.0000	
Commodity Charge (Maximum)	\$ 0.0019	
(Minimum)	\$ 0.0019	
Authorized Overrun Charge (Maximum)	\$ 0.4019	
(Minimum)	\$ 0.0019	
Annual Charge Adjustment	\$ 0.0019 2/	
Measurement Variance Gas Factor (Maximum)	2.0%	
(Minimum)	0%	
Volumetric Reservation Charge for Capacity Release	\$ 0.4000	

- 1/ For scheduling, imbalance and unauthorized overrun charges see General Terms and Conditions, Section 6. Maximum and minimum rates are applicable to backhaul service.
- 2/ The Annual Charge Adjustment (ACA) is included in the above Commodity Charge and the Authorized Overrun Charge.

Issued by: John A Roscher, Director of Rates & Regulatory Affairs  
 Issued on: August 21, 2007 Effective on: October 1, 2007

Westcoast Energy Inc.  
TOLL SCHEDULES - SERVICE

APPENDIX A

DEMAND AND COMMODITY TOLLS  
TRANSPORTATION SERVICE - SOUTHERN

**Firm Transportation Service - Southern**

Service Term	Demand Tolls \$/10 <sup>3</sup> m <sup>3</sup> /mo.			
	PNG Delivery Point	Inland Delivery Area	Huntingdon Delivery Area	Terasen Kingsvale to Huntingdon*
1 year	100.74	214.62	446.15	231.53
2 years	97.80	208.37	433.15	224.79
3 years	94.87	202.12	420.16	218.04
4 years	93.89	200.03	415.83	215.79
5 years or more	92.91	197.95	411.50	213.55

\* For Firm Transportation Service - Southern provided by Westcoast pursuant to a Firm Service Agreement dated April 15, 2002 between Westcoast and Terasen Gas Inc.

Plus the amount of tax on fuel gas consumed in operations payable under the Motor Fuel Tax Act (British Columbia) and the Carbon Tax Act (British Columbia) which is allocated to Shipper by Westcoast for each day in the month.

**AOS and Interruptible Transportation Service - Southern**

Months	Commodity Tolls \$/10 <sup>3</sup> m <sup>3</sup>		
	PNG Delivery Point	Inland Delivery Area	Huntingdon Delivery Area
November to March	4.394	9.360	19.458
April to October	3.295	7.020	14.594

Plus the amount of tax on fuel gas consumed in operations payable under the Motor Fuel Tax Act (British Columbia) and the Carbon Tax Act (British Columbia) which is allocated to Shipper by Westcoast for each day in the month.

**Import Backhaul Service**

Months	Commodity Tolls \$/10 <sup>3</sup> m <sup>3</sup>		
	Inland Delivery Area	PNG Delivery Point	Compressor Station No. 2
November to March	10.098	15.065	19.458
April to October	7.573	11.298	14.594

Plus the amount of tax on fuel gas consumed in operations payable under the Motor Fuel Tax Act (British Columbia) and the Carbon Tax Act (British Columbia) which is allocated to Shipper by Westcoast for each day in the month.

Daily  
Rate  
\$ 13.53