

Avista Corp.
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Toll Free 800-727-9170



August 15, 2005

Advice No. 05-03-G

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

Attention: Ms. Vikie Bailey-Googins

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 on October 1, 2005.

<u>Oregon PUC Sheet No.</u>	<u>Title of Sheet</u>	<u>Canceling Oregon PUC Sheet No.</u>
Tenth Revision Tariff Sheet 410	Schedule No. 410 General Residential Natural Gas Service	Supplemental Ninth Revision Tariff Sheet 410
Tenth Revision Tariff Sheet 420	Schedule No. 420 General Natural Gas Service	Supplemental Ninth Revision Tariff Sheet 420
Tenth Revision Tariff Sheet 424	Schedule No. 424 Large General and Industrial Natural Gas Service	Supplemental Ninth Revision Tariff Sheet 424
Ninth Revision Tariff Sheet 430	Schedule No. 430 Emergency Institutional Service	Supplemental Eighth Revision Tariff Sheet 430
Eleventh Revision Tariff Sheet 440	Schedule No. 440 Interruptible Natural Gas Service For Large Commercial and Industrial	Supplemental Tenth Revision Tariff Sheet 440

Tenth Revision Tariff Sheet 444	Schedule No. 444 Seasonal Natural Gas Service	Supplemental Ninth Revision Tariff Sheet 444
Sixth Revision Tariff Sheet 455	Schedule No. 455 Firm Transportation of Customer-Owned Natural Gas for Large General and Industrial Service	Supplemental Fifth Revision Tariff Sheet 455
Eighth Revision Tariff Sheet 456	Schedule No. 456 Interruptible Transportation of Customer-Owned Natural Gas For Large Commercial and Industrial Service	Supplemental Seventh Revision Tariff Sheet 456
Seventh Revision Tariff Sheet 459	Schedule No. 459 Firm Natural Gas Standby Sales Service	Supplemental Sixth Revision Tariff Sheet 459
First Revision Tariff Sheet 462A	Schedule No. 462A Purchased Gas Cost Adjustment Provision - Oregon	Original Tariff Sheet 462A
First Revision Tariff Sheet 462B	Schedule No. 462B Purchased Gas Cost Adjustment Provision - Oregon	Original Tariff Sheet 462B

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 462, Purchased Gas Cost Adjustment Provision. Schedule 462 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.

Regarding estimated purchase gas costs for the forthcoming year, the Company is proposing an increase of 20.777 cents per therm in the annual weighted average cost of gas (WACOG). The annual WACOG proposed in this filing is 75.177 cents per therm (see Exhibit___(AU-A), Page 1 of 14), as compared to the annual WACOG of 54.400 cents per therm incorporated within the

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Company's present sales service rates. The increase in the proposed WACOG reflects the substantial increase in the market price of natural gas that has occurred over the past year. The Company has fixed the price for purchased gas (through executed hedges) to serve the projected average daily load during each month of the coming year. As such, the estimated monthly WACOG's shown on the proposed tariff sheet 462A reflect the weighted average price per therm for executed hedges for the forthcoming year (plus other minor adjustments).

With regard to the amortization rate reflected in the proposed tariffs, the Company is proposing no change to the present rate. The present amortization rate is a surcharge of approximately 6.4 cents per therm, of which approximately 6.2 cents is in place to recover deferred gas costs. At June 30, 2005 the Company had a deferred gas cost balance of approximately \$12.8 million. The current amortization rate would recover this outstanding balance in approximately two years. The Company believes that this estimated recovery period is reasonable given the substantial increase proposed in the WACOG.

The Company proposes to implement the following rate increases <decrease>, incorporating the components previously described (see Exhibit__(AU-C), Page 1 of 3):

Schedule 410, Residential	17.99%
Schedule 420, General	20.59%
Schedule 424, Large General	22.00%
Schedule 440, Interruptible	25.49%
Schedule 444, Seasonal	22.41%
Schedule 455, Firm Transportation	0%
Schedule 456, Interruptible Transportation	<10.00%>

If approved, this filing would result in an annual revenue increase of about 18.4% or \$18.9 million (see Exhibit No. __(AU-C), Page 1 of 3). Under the proposed increase, the typical residential customer using an average of 53 therms per month would see their monthly bill increase by \$11.24, from a present average monthly bill of \$62.61 to \$73.85.

Additionally, this filing is a compliance filing as set forth in the Commission's Order No. 03-570 (Order) and Appendix B of the Order (Stipulation of the Parties), in Avista's 2003 general rate case, UG-153. The Commission's Order approved a total 25% decrease in the rates for Transportation Service Schedule 456 to move these rates closer to the cost of providing service, with a 5% decrease effective March 1, 2004 and two subsequent decreases of 10% each effective October 1, 2004 and October 1, 2005. Related to the decrease(s) in the rates for Transportation Schedule 456, the Commission also approved simultaneous decreases in the rate for Interruptible Sales Service Schedule 440 equal to the reduction in the second-block rate under Schedule 456. The rates set forth in the proposed tariffs for Schedules 440 and 456 reflect these decreases to be effective October 1, 2005, as shown on Exhibit No. __(AU-E).

Included in this filing is a Certificate of Service, a copy of the press release (see Exhibit__(AU-F) which was issued coincident with this filing, a copy of the customer notice which will be included as

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a bill insert (see Exhibit____(AU-I), and a copy of the workpapers and additional exhibits supporting this filing.

Please direct any questions regarding this filing to Brian Hirschorn at (509) 495-4723.

Sincerely,

Kelly O. Norwood, Vice President
State and Federal Regulation

Enclosure

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served Avista Utilities', a division of Avista Corp, application to incorporate the tracking rates into the appropriate schedule upon the parties listed below by mailing a copy thereof, postage prepaid.

Mr. Edward Finklea
Cable Huston Benedict
Haagensen & Lloyd, LLP
1001 SW 5th, Suite 2000
Portland, OR 97204-1136

Citizens' Utilities Board
610 SW Broadway, Suite 308
Portland, OR 97205-3404

Ms. Paula Pyron
Executive Director
Northwest Industrial Gas Users
4113 Wolfberry Court
Lake Oswego, OR 97035

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

Dated at Spokane, Washington this 15th day of August 2005.

Patty Olsness
Rates Coordinator

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:

\$5.00

Commodity Charge Per Therm:

\$1.29895

Minimum Charge:

The Customer Charge constitutes the Minimum Charge.

SPECIAL CONDITIONS:

1. 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)
2. 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.
3. The above Commodity Charge includes a \$.00438 per therm for the Residential Low Income Rate Assistance Program, as set forth under Schedule 493.

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By

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

(I)

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:

	<u>Per Meter</u> <u>Per Month</u>
Customer Charge:	\$6.00
Commodity Charge Per Therm:	\$1.21519
Minimum Charge:	

The Customer Charge constitutes the Minimum Charge.

SPECIAL CONDITIONS:

1. 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)
2. 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 advance, or his or its designee, upon the expiration of 36 months of billings for consumption under this schedule (which may or may not be continuous),

(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
Per Month

Customer Charge:

\$65.00

Commodity Charge Per Therm:

\$1.15877

Minimum Charge:

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

(I)

SPECIAL CONDITIONS:

1. This service is available only where adequate capacity exists in the Company's system.
2. 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.
3. 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.

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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:

\$1.21489

Minimum Charge: None

(l)

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 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
Per Month**

Commodity Charge Per Therm: **\$.96731**

(I)

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 225,000 therms. Such Annual Minimum Charge shall be determined by subtracting their actual usage for a twelve-month period from 225,000 therms multiplied by 11.285 cents per therm.

(R)

SPECIAL CONDITIONS:

1. This service is available only where capacity in excess of firm sales and firm transportation requirements exists in the Company's system.
2. 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

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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:

\$1.15852

(I)

Minimum Charge:

\$7,629.99 per season.

(I)

SPECIAL CONDITIONS:

1. 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.
2. 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 allocation of propane for such purposes as directed

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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 2.2602 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.

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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:

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

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 2.2602 percent to cover governmental fees and levies imposed upon the Company, as those fees and levies may be in effect from time to time.

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SCHEDULE 459

FIRM NATURAL GAS STANDBY SALES SERVICE - OREGON

APPLICABILITY:

Applicable to firm and interruptible transportation of customer-owned natural gas at the option of the customer.

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: \$65.00

Demand Charge Per Therm: \$.84437

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For transportation customers, the monthly demand charge shall be calculated by multiplying the customer's maximum daily therm contract demand by the demand charge per therm.

Commodity Charge:

A charge equivalent to the commodity charge rate as posted in the sales schedule that the customer would qualify for if the transportation customer requested sales service will apply to each therm used by the customer.

Minimum Charge:

The minimum monthly charge shall consist of the sum of the customer and demand charges.

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SCHEDULE 462 (continued)

PURCHASED GAS COST ADJUSTMENT PROVISION – OREGON

6. Off-System Sales Revenues: Revenues received from the sale of gas to a party other than Avista's Oregon sales customers.

7. Estimated Monthly Weighted Average Cost Of Gas (WACOG): The estimated monthly WACOG is calculated by the following formula: (Normalized Purchases at Adjusted Contract Prices) divided by (last year's (i.e. July 1 – June 30) actual sales, weather-normalized).

- a. "Normalized Purchases" means last year's (July 1 – June 30) actual sales, "weather-normalized", plus a percentage for "distribution system unaccounted for gas."
- b. "Weather-normalized" means normalizing assumptions set at the utility's last rate case.
- c. "Distribution system unaccounted for gas" means the 5-year average of actual unaccounted for gas, not to exceed 2%. In accordance with PUC Order No. 05-852, this year's amount will be Avista's best estimate of actual loss, not to exceed 2%; with subsequent years calculated to comply with the Order requirements.
- d. "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 Monthly WACOG per them is as follows:

October	\$.75650
November	\$.75113
December	\$.75248
January	\$.75231
February	\$.75272
March	\$.74304
April	\$.75982
May	\$.75662
June	\$.74667
July	\$.74480
August	\$.74508
September	\$.74972

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SCHEDULE 462 (continued)

PURCHASED GAS COST ADJUSTMENT PROVISION - OREGON

8. **Estimated Non-Commodity Cost:** Estimated Non-Commodity gas costs shall be equal to estimated Demand Costs, plus estimated Variable Transportation Costs, less estimated Capacity Release Benefits, plus or minus estimated pipeline refunds or surcharges.

9. **Estimated Non-Commodity Cost per Therm:** Estimated annual Non-Commodity Cost divided by last year's (i.e. July 1 – June 30) actual sales, weather-normalized. The Estimated Non-Commodity Cost per therm is as follows:

\$.15457

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

11. **Embedded Commodity Cost:** The Estimated Monthly WACOG multiplied by the Actual Monthly Calendar Sales Volumes.

12. **Embedded Non-Commodity Cost:** The Estimated Non-Commodity Cost per Therm multiplied by the Actual Monthly Calendar Sales Volumes less Schedule 440 volumes.

13. **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 or supply reliability for sales service customers.

14. **Gas Storage Facilities (Jackson Prairie and Plymouth):** The cost of natural gas for injections shall be the actual cost of purchasing and transporting the gas to 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.

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BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

Workpapers of
AVISTA UTILITIES
for
PGA Filing
August 15, 2005

Line No.	Description	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
		Present Therms	07/01/04 Daily Rate (MMBTu's)	07/01/04 Mo. Rate (Thrms)	Present Demand Cost	Present Commodity Cost	Proposed Therms	Current 07/01/04 Daily Rate (MMBTu)	Current 07/01/04 Mo. Rate (Thrms)	Proposed Demand Costs	Proposed Commodity Costs	
Northwest Pipeline Corporation (NWP)												
1	TF-1 Demand	5,435,140	\$0.27685	\$0.84209	\$4,576,877	\$238,847	5,435,140	\$0.27760	\$0.84437	\$4,589,269	253,221	
2	TF-1 Variable Transportation	79,615,500	\$0.03000	\$0.00300			79,379,744	0.03190	\$0.00319			
3	TF-2 SGS-1 Reservation Charge	31,476	\$0.27685	\$0.84209	26,506		31,476	\$0.27760	\$0.84437	26,577		
4	TF-2 LS Reservation Charge	56,640	\$0.27685	\$0.84209	47,696		56,640	\$0.27760	\$0.84437	47,825		
5	TF-2 SGS/LS Commodity Charge		\$0.03000	\$0.00300				0.03000	\$0.00300			
6	SGS Demand Charge	314,760	\$0.01685	\$0.05125	16,131		314,760	\$0.01689	\$0.05137	16,169		
7	SGS Capacity Demand	11,335,440	\$0.00061	\$0.00186	21,084		11,335,440	\$0.00062	\$0.00189	21,424		
8	LS-1 Demand	2,304,000	\$0.02600	\$0.07908	182,200		2,304,000	\$0.02600	\$0.07908	182,200		
9	LS-1 Capacity	20,688,000	\$0.00332	\$0.01010	208,949		20,688,000	\$0.00332	\$0.01010	208,949		
10	LS-1 Vaporization		\$0.03030	\$0.09216				\$0.03030	\$0.09216			
11	Northwest Natural-Odorization					20,000					(Note 1)	
Gas Transportation Northwest												
12	Demand T-3 (Oct - Mar)	397,200		\$0.79014	313,844		397,200		\$0.79014	313,844		
13	Variable Transportation T-1/T-3	12,767,500		\$0.00189		24,131	13,172,610		\$0.00288		37,937	
14	Demand T-1 (Year Round)	3,376,800		\$0.72314	2,441,887		3,376,800		\$0.72314	2,441,887		
15	Medford Lateral Demand Charge	3,888,000		\$1.66973	6,491,894		3,948,000		\$0.00000	6,560,529		
16	Alberta Nat Gas - Demand	3,018,360		\$0.16024	483,659	467	3,018,360		\$0.16024	483,659	481	
17	- Variable Transportation	1,276,800		\$0.0003655			1,317,300		\$0.0003655			
18	NOVA Demand	3,411,480		\$0.35716	1,218,434		3,411,480		\$0.35716	1,218,434		
19	Tuscarora	28,800	\$0.48330	\$1.47004	35,112		28,800	\$0.48330	\$1.46913	35,112		
20	Long Term Capacity Release Credits				(3,500,000)					(3,500,000)		
21	Commodity	92,363,000	\$ 0.54400	0.54400		50,256,352	92,552,354		\$0.75177	423,385	69,578,083	
22	Upstream Canadian Demand Costs										(Note 1)	
23	Jackson Prairie Withdrawals	800,000		0.53642		429,136					(Note 1)	
24	Plymouth Withdrawals										(Note 1)	
25	Produced Gas	149,000		1.42195		211,900					(Note 1)	
26	Total	93,332,000			12,564,273	51,160,833	92,552,354			13,089,263	69,869,722	
27	Total Therms Sold				90,439,000	90,439,000				91,085,871	91,085,871	
28	Less: Interruptible				(6,382,410)					(6,534,247)		
29	Rate Per Therm				\$0.056590	\$0.439,000				\$0.15457	\$0.76708	
30	Previous Rate Per Therm				\$0.14947	\$0.56592				\$0.14947	\$0.56592	
31	Gas Cost Change									\$0.00610	\$0.20116	

FOOTNOTE:
Note 1 - Costs are now included in the Commodity WACOG

Avista Utilities
Oregon Gas Operations
WACOG Calculation (Per Therm)

Month (A)	Normalized Purchases Volumes (B)	Estimated WACOG (C)	Estimated Hedged/Index Cost (B)*(C) = (D)	Estimated Glendale Volumes (E)	Estimated Glendale WACOG (F)	Estimated Glendale Cost (E)*(F) = (G)	Estimated Sumas Volumes (H)	Westcoast/ Duke Demand Rate (I)	Westcoast/ Duke Embedded in Commodity (H)*(I) = (J)	Estimated Odorization Costs (K)	Total Therms (B)+(E) = (L)	Net Estimated Cost (D)+(G)+(J)+ (K) = (M)	Estimated WACOG (M)/(L) = (N)
October	6,449,219	\$0.762	\$4,914,305	8,000	\$0.90	\$7,200	1,906,500	\$0.0198	(\$37,787)	\$1,200	6,457,219	\$4,884,918	\$0.75650
November	10,605,442	\$0.755	\$8,007,109	14,000	\$0.90	\$12,600	2,250,000	\$0.0198	(\$44,595)	\$1,500	10,619,442	\$7,976,614	\$0.75113
December	14,747,292	\$0.758	\$11,178,447	18,000	\$0.90	\$16,200	4,340,000	\$0.0198	(\$86,019)	\$1,900	14,765,292	\$11,110,528	\$0.75248
January	14,325,993	\$0.758	\$10,859,103	26,000	\$0.90	\$23,400	4,417,500	\$0.0198	(\$87,555)	\$2,200	14,351,993	\$10,797,148	\$0.75231
February	11,995,161	\$0.757	\$9,080,337	25,000	\$0.90	\$22,500	2,870,000	\$0.0198	(\$56,883)	\$1,900	12,020,161	\$9,047,854	\$0.75272
March	10,480,298	\$0.747	\$7,828,783	17,000	\$0.90	\$15,300	2,325,000	\$0.0198	(\$46,082)	\$1,900	10,497,298	\$7,799,901	\$0.74304
April	7,165,834	\$0.764	\$5,474,697	9,000	\$0.90	\$8,100	1,650,000	\$0.0198	(\$32,703)	\$1,500	7,174,834	\$5,451,594	\$0.75982
May	6,195,071	\$0.758	\$4,695,864	7,000	\$0.90	\$6,300	542,500	\$0.0198	(\$10,752)	\$1,200	6,202,071	\$4,682,612	\$0.75662
June	2,372,952	\$0.751	\$1,782,087	4,000	\$0.90	\$3,600	600,000	\$0.0198	(\$11,892)	\$1,000	2,376,952	\$1,774,795	\$0.74667
July	2,013,750	\$0.744	\$1,498,230	4,000	\$0.90	\$3,600	310,000	\$0.0198	(\$6,144)	\$1,000	2,017,750	\$1,502,830	\$0.74480
August	2,350,164	\$0.747	\$1,755,573	4,000	\$0.90	\$3,600	150,000	\$0.0198	(\$2,973)	\$1,000	2,354,164	\$1,754,029	\$0.74508
September	3,851,178	\$0.750	\$2,888,384	6,000	\$0.90	\$5,400	150,000	\$0.0198		\$1,000	3,857,178	\$2,891,811	\$0.74972
Total	92,552,354		\$69,962,919	142,000		\$127,800	21,361,500		(\$423,385)	\$17,300	92,694,354	\$69,684,634	\$0.75177

Avista Utilities
Oregon Gas Operations
12 Months Ended June, 2005
WACOG Calculation

	Weather Adjusted Actual Sales	Unaccounted For Gas At 1.61%	Normalized Purchased Volumes
July	1,981,842	31,908	2,013,750
August	2,312,926	37,238	2,350,164
September	3,790,156	61,022	3,851,178
October	6,347,032	102,187	6,449,219
November	10,437,400	168,042	10,605,442
December	14,513,623	233,669	14,747,292
January	14,098,999	226,994	14,325,993
February	11,805,099	190,062	11,995,161
March	10,314,239	166,059	10,480,298
April	7,052,292	113,542	7,165,834
May	6,096,911	98,160	6,195,071
June	2,335,353	37,599	2,372,952
	91,085,872	1,466,482	92,552,354

	7/04	8/04	9/04	10/04	11/04	12/04	1/05	2/05	3/05	4/05	5/05	6/05	Total 7/04 - 6/05
Actual Therms Sold/Transported													
Sch 410, Residential	1,232,395	944,832	1,103,781	1,709,985	4,406,935	7,270,389	8,701,893	7,649,516	5,445,819	4,794,371	3,452,970	2,259,730	48,972,616
Sch 420, General	424,961	797,552	902,215	1,113,152	2,503,507	3,755,921	4,898,294	4,172,920	2,933,103	2,589,652	1,904,444	1,349,286	27,145,007
Sch 424, Large General	221,474	204,183	233,806	267,805	307,220	480,907	477,789	440,730	374,226	374,690	355,051	297,673	4,035,354
Sch 430, Emergency Instit.													
Sch 440, Interruptible	528,601	472,980	603,390	610,739	529,844	598,484	583,308	582,933	502,159	506,393	540,075	580,892	6,637,566
Sch 447 Special Contracts	1,223,923	1,146,593	1,236,571	1,105,154	1,109,727	1,065,792	1,150,970	1,256,044	1,124,238	1,189,138	1,181,437	1,152,644	13,942,231
Sch 444, Seasonal Firm	8,351	7,727	127,042	52,492	3,992	3,546	(12,308)			980	840	2,334	194,996
Sch 455, Firm Transportation													
Sch 456, Int. Transportation	2,669,478	2,330,883	2,526,217	2,719,017	3,271,397	2,885,589	3,315,945	3,523,973	3,258,383	3,404,631	3,061,723	3,050,020	36,017,254
Total Throughput	6,309,181	5,904,750	6,732,992	7,578,144	12,132,622	16,058,626	18,915,889	17,626,116	13,637,928	12,859,655	10,498,540	8,692,379	136,945,024
Less: Transportation													
Sch 447 Special Contracts	(1,223,923)	(1,146,593)	(1,236,571)	(1,105,154)	(1,109,727)	(1,065,792)	(1,150,970)	(1,256,044)	(1,124,238)	(1,189,138)	(1,181,437)	(1,152,644)	(13,942,231)
Sch 455, Firm Transportation													
Sch 456, Int. Transportation	(2,669,478)	(2,330,883)	(2,526,217)	(2,719,017)	(3,271,397)	(2,885,589)	(3,315,945)	(3,523,973)	(3,258,383)	(3,404,631)	(3,061,723)	(3,050,020)	(36,017,254)
Total Sales	2,415,782	2,427,274	2,970,204	3,753,973	7,751,496	12,107,247	14,448,974	12,846,099	9,255,307	8,266,086	6,253,380	4,489,715	86,985,539
Unbilled Therms													
Sch 410, Residential	(228,907)	67,424	349,866	1,574,307	1,549,209	798,012	(27,400)	(1,103,714)	(689,782)	(969,957)	241,334	(1,256,657)	323,755
Sch 420, General	(163,875)	(28,399)	265,011	869,551	1,537,857	219,517	(487,528)	(443,227)	84,660	8,611	(947,281)	(775,571)	139,326
Sch 424, Large General	(2,052)	(6,747)	24,760	(3,253)	(9,383)	(2,615)	(10,878)	6,198	3,038	3,871	(13,107)	14,352	4,186
Sch 430, Emergency Instit.													
Sch 440, Interruptible	(39,308)	(146,626)	180,315	136,145	112,024	51,982	(28,700)	(52,603)	270,694	(213,220)	(237,538)	(136,486)	(103,319)
Sch 447 Special Contracts													
Sch 444, Seasonal Firm													
Sch 455, Firm Transportation													
Sch 456, Int. Transportation	(435,694)	307,205	(90,626)	710,904	(23,777)	137,566	285,208	(397,396)	122,332	(257,908)	50,574	(208,528)	199,858
Total Unbilled Therms	(869,834)	192,857	729,326	3,267,854	3,165,730	1,204,462	(289,298)	(1,990,742)	(189,038)	(1,428,603)	(906,018)	(2,362,890)	563,808
Less: Transportation													
Sch 447 Special Contracts													
Sch 455, Firm Transportation													
Sch 456, Int. Transportation	435,694	(307,205)	90,626	(710,904)	23,777	(137,566)	(285,208)	397,396	(122,332)	257,908	(50,574)	208,528	(199,858)
Total Sales Unbilled Therms	(433,940)	(114,348)	819,952	2,576,750	3,189,507	1,066,896	(554,504)	(1,593,346)	(311,370)	(1,170,695)	(956,592)	(2,154,362)	363,948
Weatherization Adjustment													
Sch 410, Residential				13,709	(332,078)	908,759	131,744	374,991	911,549	(27,177)	535,016		2,516,513
Sch 420, General				2,600	(171,527)	430,721	72,785	177,355	458,753	(15,822)	265,107		1,219,872
Total Weather Adjustment				16,309	(503,605)	1,339,480	204,529	552,346	1,370,302	(43,099)	800,123		3,736,385
Weather Normalized Actual Sales													
Sch 410, Residential	1,003,488	1,012,256	1,453,647	3,298,001	5,824,066	8,977,180	8,808,237	6,920,793	5,687,606	3,797,237	4,229,320	1,003,073	51,812,884
Sch 420, General	261,286	769,153	1,167,226	1,986,303	3,969,637	4,406,159	4,283,551	3,907,048	3,476,516	2,582,341	1,222,270	573,715	28,504,205
Sch 424, Large General	219,422	197,436	258,566	264,352	297,837	478,292	466,913	446,828	377,264	378,561	341,944	312,025	4,039,540
Sch 430, Emergency Instit.													
Sch 440, Interruptible	489,295	326,354	783,675	746,884	641,988	648,466	554,606	530,330	772,853	293,173	302,537	444,206	6,534,247
Sch 447 Special Contracts	1,223,923	1,146,593	1,236,571	1,105,154	1,109,727	1,065,792	1,150,970	1,256,044	1,124,238	1,189,138	1,181,437	1,152,644	13,942,231
Sch 444, Seasonal Firm	8,351	7,727	127,042	52,492	3,992	3,546	(12,308)			980	840	2,334	194,996
Sch 455, Firm Transportation													
Sch 456, Int. Transportation	2,233,782	2,638,088	2,435,591	3,429,921	3,247,620	3,023,155	3,601,151	3,126,577	3,380,715	3,146,723	3,112,297	2,841,482	36,217,112
Total Therms	5,439,547	6,097,607	7,462,318	10,882,107	14,794,747	18,602,570	18,851,120	16,187,720	14,819,192	11,388,153	10,380,645	6,329,489	141,245,215
Less: Transportation													
Sch 447 Special Contracts	(1,223,923)	(1,146,593)	(1,236,571)	(1,105,154)	(1,109,727)	(1,065,792)	(1,150,970)	(1,256,044)	(1,124,238)	(1,189,138)	(1,181,437)	(1,152,644)	(13,942,231)
Sch 455, Firm Transportation													
Sch 456, Int. Transportation	(2,233,782)	(2,638,088)	(2,435,591)	(3,429,921)	(3,247,620)	(3,023,155)	(3,601,151)	(3,126,577)	(3,380,715)	(3,146,723)	(3,112,297)	(2,841,482)	(36,217,112)
Total Sales Therms	1,981,842	2,312,926	3,790,156	6,347,032	10,437,400	14,513,623	14,098,999	11,805,099	10,314,239	7,052,292	6,096,911	2,335,353	91,085,872

	Effective Date	Contract Demand (Dth's)	Number of Months	Annual Contract Demand	Fixed Rate	Milage Rate	Miles	Annual Fixed Costs	Annual Milage Costs	Total Costs
T-3 (Note 1)	11/1/04	6,620	6	39,720	\$0.933308	\$0.011629	599.20	\$37,071	\$276,773	\$313,844
T-1 Vintage (Note 2)	11/1/04	7,140	12	85,680	\$0.589381	\$0.007665	599.20	\$50,498	\$393,519	\$444,017
T-1 Non-Core (Note 3)	11/1/04	28,500	6	171,000	\$0.884028	\$0.011402	612.48	\$151,169	\$1,194,178	\$1,345,347
T-1 Non-Core (Note 1)	11/1/04	13,500	6	81,000	\$0.933308	\$0.011629	612.48	\$75,598	\$576,925	\$652,523
E-1 Lateral (Note 4)	11/1/04	1,400	12	16,800		\$0.296969	22.85		\$114,000	\$114,000
E-2 Lateral (Note 5)	11/1/04	30,000	6	180,000		\$0.193579	88.10		\$3,069,776	\$3,069,776
E-2 Lateral (Note 5 & 6)	11/1/04	18,000	6	108,000		\$0.193579	88.10		\$1,841,865	\$1,841,865
E-2 Lateral (Note 5)	11/1/04	15,000	6	90,000		\$0.193579	88.10		\$1,534,888	\$1,534,888
									<u>\$9,316,260</u>	

Note 1 - 3rd Revised Volume No. 1-A, Fifth Revised Sheet No. 4

Base	0.884028	0.011212
MRRS	0.049280	0.000227
ACA		0.000190
	<u>0.933308</u>	<u>0.011629</u>

Note 2 - 3rd Revised Volume No. 1-A, Fifth Revised Sheet No. 4

Base	0.884028	0.011212
MRRS		
	<u>0.884028</u>	<u>0.011212</u>
Mitigation	66.67%	66.67%
	<u>0.589381</u>	<u>0.007475</u>
ACA		0.000190
		<u>0.007665</u>

Note 3 - 3rd Revised Volume No. 1-A, Fifth, Revised Sheet No. 4, No MRRS

Base	0.884028	0.011212
MRRS		
ACA		0.000190
	<u>0.884028</u>	<u>0.011402</u>

Note 4 - 3rd Revised Volume No. 1-A, 5th Revised Sheet No. 4 - Medford Lateral

Note 5 - 3rd Revised Volume No. 1-A, 5th Revised Sheet No. 4, E-2 (g)

Note 6 - Currently at 90% but this will increase to 95% at 10/31/06

	Effective Date	Contract Demand (Dth)	Number of Months	Annual Contract Demand	10 Cubed/ M Cubed Price	Demand Rate (cents/GJ/km/Mo)	Daily Demand (GJ/km/day) (*12/365)	Cost per GigaJoule	Cost per Decatherm	Exchange Rate	Translated to U.S. \$ (US\$/MMBtu/km/day) (* 1.6129)	Convert To Miles	Estimated U.S. Rate	Annual Fixed Costs	
TCPL Alberta (NOVA)		28,429	12	341,148	\$188.41			4.95816	4.69843	76%			\$3.57157	\$1,218,434	2004 Interim Rates, Attachment B, Table of Rates, Tolls and Charges, Page 1 of 22
TCPL BC (ANG)	1/10/4	28,582	6	171,492		1.0834963820	.0356198263		0.03758	73%	0.02743	0.04424	\$1.60239	\$274,797	TransCanada BC System Gas Transportation Service Documents, Tab 3, Page 2
	1/10/4	21,724	6	130,344		1.0834963820	.0356198263		0.03758	73%	0.02743	0.04424	\$1.60239	\$208,862	TransCanada BC System Gas Transportation Service Documents, Tab 3, Page 2

**Avista Utilities
Oregon Gas Operations
Five Year Average Loss Calculation**

12 Months Ending

June 2001	1.21%
June 2002	2.08%
June 2003	1.90%
June 2004	2.21%
June 2005	0.65%
TOTAL	<u>8.05%</u>
5 Year Average	<u>1.61%</u>

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

Fifth Revised Sheet No. 4
Superseding
Fourth Revised Sheet No. 4

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

	RESERVATION		DELIVERY (c)		FUEL (d)		
	MILEAGE (a) (Dth-MILE)	NON-MILEAGE (b) (Dth)	MAXIMUM	MINIMUM	MAXIMUM	MINIMUM	
BASE	0.011212	0.000000	0.884028	0.000000	0.000013	0.000013	0.0050% 0.0000%
MRRS (e)	0.000227	0.000000	0.049280	0.000000	---	---	---
CES	0.000227	0.000000	0.049280	0.000000	---	---	---
EXTENSION CHARGES							
MEDFORD							
E-1 (f)	0.296969	0.000000	---	---	0.000016	0.000016	---
E-2 (g) (WWP)	0.193579	0.000000	---	---	0.000000	0.000000	---
E-2 (h) (Diamond 1)	0.090388	0.000000	---	---	0.000000	0.000000	---
E-2 (h) (Diamond 2)	0.035477	0.000000	---	---	0.000000	0.000000	---
COYOTE SPRINGS							
E-3 (i)	0.064705	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: October 1, 2004

Effective on: November 1, 2004

NOVA Gas Transmission Ltd.

Table of Rates, Tolls and Charges

TABLE OF RATES TOLLS AND CHARGES

Service	Rates, Tolls and Charges	
1. Rate Schedule FT-R	Refer to Attachment "1" for the applicable FT-R Demand Rate per month and Surcharge for each Receipt Point Average Firm Service Receipt Price (AFSRP) \$188.41/10 ³ m ³	
2. Rate Schedule FT-RN	Refer to Attachment "1" for the applicable FT-RN Demand Rate per month and Surcharge for each Receipt Point	
3. Rate Schedule FT-D	FT-D Demand Rate per month	\$188.41/10 ³ m ³
4. Rate Schedule STFT	STFT Bid Price Minimum bid of 135% of FT-D Demand Rate	
5. Rate Schedule FT-A	FT-A Commodity Rate	\$0.57/10 ³ m ³
6. Rate Schedule FT-P	Refer to Attachment "2" for the applicable FT-P Demand Rate per month.	
7. Rate Schedule LRS	<u>Contract Term</u>	<u>Effective LRS Rate (\$/10³m³/day)</u>
	1-5 years	9.31
	6-10 years	7.78
	15 years	6.98
	20 years	6.20
8. Rate Schedule LRS-2	LRS-2 Rate per month	\$50,000
9. Rate Schedule LRS-3	LRS-3 Demand Rate per month	\$188.71/10 ³ m ³
10. Rate Schedule IT-R	Refer to Attachment "1" for the applicable IT-R Rate and Surcharge for each Receipt Point	
11. Rate Schedule IT-D	IT-D Rate	\$6.81/10 ³ m ³
12. Rate Schedule FCS	The FCS Charge is determined in accordance with Attachment "1" to the applicable Schedule of Service	
13. Rate Schedule OS	<u>Schedule No.</u>	<u>Charge</u>
	2003-00452-2	\$ 83,333.00 / month
	2003-03435-9	\$ 899.00 / month
	2003-03734-7	\$ 698.00 / month
	2003-058091-2	\$ 2,568.00 / month
	2003-03624-9	\$ 27.00 / month
	2003-07178-3	\$ 150.00 / month
	2003-07179-5	\$ 1,391.00 / month
	2003-07113-5	\$ 8.00 / month
	2003-05812-6	\$ 118.00 / month
	2003-05809-6	\$ 163.00 / month
	2003-03747-9	\$ 1,707.00 / month
14. Rate Schedule CO ₂	<u>Tier</u>	<u>CO₂ Rate (\$/10³m³)</u>
	1	532.41
	2	425.92
	3	283.95

3 RATES STATEMENT AND CALCULATION METHODOLOGY

3.1 Statement of Effective Rates and Charges

	Baseline Rates	Effective Rates
Heating Value		
Baseline Conversion Rate (MJ/m ³)	37.8	
Effective Forecast (MJ/m ³)		38.0
FS-1 Firm Service		
Demand Rate (cents/GJ/Km/Month*)	1.0834363820	1.0834363820
Commodity Rate (cents/GJ/Km*)	0.0020839467	0.0020729786
IS-1 Interruptible Service		
Commodity Rate (cents/GJ/Km*)	0.0416615315	0.0416505633

* Total distance of pipeline is 170.7 km

Company Use Gas

Shipper's Share of Company Use Gas shall be determined pursuant to Section 8.5 of the General Terms and Conditions.

STATEMENT OF RATES
 Effective Rates Applicable to Rate Schedules TF-1, TF-2 and TI-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	.27760	-	.00000	.27760
15 Year Evergreen Exp.	.00000	.39547	-	.00000	.39547
25 Year Evergreen Exp.	.00000	.37893	-	.00000	.37893
Volumetric					
(Large Customer)	.01225	.03000	.00190	.01415	.03190
(Small Customer) (6)	.01225	.58521	.00190	.01415	.58711
Scheduled Overrun	.01225	.30760	.00190	.01415	.30950
Rate Schedule TF-2 (4) (5)					
Reservation	.00000	.27760	-	.00000	.27760
Volumetric	.01225	.03000	-	.01225	.03000
Scheduled Daily Overrun	.01225	.30760	-	.01225	.30760
Annual Overrun	.01225	.30760	-	.01225	.30760
Rate Schedule TI-1					
Volumetric (7)	.01225	.30760	.00190	.01415	.30950
Scheduled Overrun	.01225	.30760	.00190	.01415	.30950

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)		
Demand Charge	0.00000	0.01689
Capacity Demand Charge	0.00000	0.00062
Volumetric Bid Rates		
Withdrawal Charge	0.00000	0.01689
Storage Charge	0.00000	0.00062
Rate Schedule SGS-2I		
Volumetric	0.00000	0.00134

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.
- (2) Rates are daily rates computed on the basis of 365 days per year, except that rates for leap years are computed on the basis of 366 days.

Rates are also applicable to capacity release service. (Section 22 of the General Terms and Conditions describes how bids for capacity release will be evaluated.) The Withdrawal Charge and Storage Charge are applicable to Replacement Shippers bidding for capacity released on a one-part volumetric bid basis.

STATEMENT OF RATES (Continued)

Effective Rates Applicable to Rate Schedule LS-1

(Dollars per Dth)

Type of Rate	Currently Effective Tariff Rate (1)
Demand Charge (2)	0.02600
Capacity Charge (2)	0.00332
Liquefaction	0.55685
Vaporization	0.03030

Footnotes

- (1) Shippers receiving service under this rate schedule are required to furnish fuel reimbursement in-kind at the rate specified on Sheet No. 14.
- (2) Rates are daily rates computed on the basis of 365 days per year, except that rates for leap years are computed on the basis of 366 days.

Tuscarora Gas Transmission Company
 FERC Gas Tariff
 Original Volume No. 1

Fifth Revised Sheet No. 5
 Superseding
 Fourth Revised Sheet No. 5

IT RATE SCHEDULE
 CURRENTLY EFFECTIVE RATES 1/

Commodity Charge	(Maximum)	\$ 0.4830
	(Minimum)	\$ 0.0019
Authorized Overrun Charge	(Maximum)	\$ 0.4830
	(Minimum)	\$ 0.0019
Annual Charge Adjustment		\$ 0.0019 2/
Measurement Variance Gas Factor	(Maximum)	2.0%
	(Minimum)	0.0%

- 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.

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

Line No.		Demand Cost Change	Commodity Cost Change	Total Cost Change
1	Increase <Decrease> In Gas Cost (Note 1)	\$0.00510	\$0.20116	\$0.20626
2	Revenue Sensitive Costs:			
3	Uncollectibles	0.4752		
4	Regulatory Commission Fee	0.2500		
5	Energy Resource Supplier Assesser	0.0524		
6	Franchise Tax	1.9578		
		<u>2.7354</u>		
7	Revenue sensitive cost (Note 2)	\$0.00014	\$0.00566	\$0.00580
8	Revenue necessary to offset change in purchased gas cost and associated revenue sensitive cost	\$0.00524	\$0.20682	\$0.21206
9	Total Therms Sold and Deliveried (Note 1)	141,045,356	141,045,356	
10	Interruptible Customer Sales	(6,534,247)	XXXX	
11	Firm/Interruptible Transportation Sales (Note 1)	(49,959,485)	(49,959,485)	
12	Total Sales (Therms)	<u>84,551,624</u>	<u>91,085,871</u>	
13	Adjusted Revenue Change : (Line 8 x Line 12)	\$443,051	\$18,838,380	\$19,281,431

Note 1 - From Exhibit No. ____ (AU-A)

Note 2 - Derived: $1/(1-0.027354) = 0.028123$

**Avista Utilities
Oregon Gas Operations
Calculation of Gross Revenue Adjustment Factor
Rate Change Per Therm**

	Sales Customers	Transportation Customers
Revenue Sensitive Costs:		
Uncollectibles	0.4752	
Regulatory Commission Fee	0.2500	0.2500
Energy Resource Supplier Assessment	0.0524	0.0524
Franchise Tax	1.9578	1.9578
Total	<u>2.7354</u>	<u>2.2602</u>
Calculation of Revenue Sensitive Cost Percentage (1/1 - Total Revenue Sensitive Costs)	<u>2.8123</u>	<u>2.3120</u>

Line No.	Rate Sch	Description (B)	Recorded Average Connections (C)	Recorded Throughput (Therms) (D)	Adjusted Sales (Therms) (E)	Recorded Revenues (F)	Revenues at Present Rates (G)	(1) Change (H)	Revenues at Proposed Rates (I)	Proposed Percent Change (J)	Average Monthly Use (Therms) (K)	Present Monthly Cost (L)	Proposed Monthly Cost (M)	Monthly Change (N)	Proposed Change To Monthly Cost (O)
1	410	Residential	79,462	48,972,616	51,812,884	\$57,301,806	\$61,082,625	\$10,987,441	\$72,070,066	17.99%	53	\$62.61	\$73.85	\$11.24	17.95%
2	420	General	10,673	27,145,007	28,504,205	\$27,622,336	\$29,361,879	\$6,044,602	\$35,406,481	20.59%	223	\$229.70	\$276.99	\$47.29	20.59%
3	424	Large General	89	4,035,354	4,039,540	\$3,782,806	\$3,893,693	\$856,625	\$4,750,318	22.00%	3,782	\$3,645.46	\$4,447.47	\$802.01	22.00%
4	430	Emergency Instit.													
5	440	Interruptible	42	6,637,566	6,534,247	\$4,852,057	\$5,036,794	\$1,283,848	\$6,320,642	25.49%	12,965	\$9,993.81	\$12,541.17	\$2,547.36	25.49%
6	444	Seasonal (2)	2	194,996	194,996	\$163,228	\$184,556	\$41,351	\$225,907	22.41%	10,833	\$10,253.00	\$12,550.25	\$2,297.25	22.41%
7	447	Special Contract	5	13,942,231	13,942,231	\$558,982	\$558,982		\$558,982		-	-	-	-	
8	455	Firm Transport									-	-	-	-	
9	456	Int. Transport	31	36,017,254	36,217,112	\$2,780,124	\$2,780,124	(\$278,012)	\$2,502,112	-10.00%	-	-	-	-	
10		TOTAL	90,304	136,945,024	141,245,215	\$97,061,339	\$102,898,653	\$18,935,855	\$121,834,508	18.40%					
11		Miscellaneous Revenues													
12		TOTAL REVENUES				\$97,061,339	\$102,898,653	\$18,935,855	\$121,834,508	18.40%					
CLASS OF SERVICE															
13		Residential	79,462	48,972,616	51,812,884	\$57,301,806	\$61,082,625	\$10,987,441	\$72,070,066	17.99%		\$62.61	\$73.85	\$11.24	
14		Commercial	10,673	27,145,007	28,504,205	\$27,622,336	\$29,361,879	\$6,044,602	\$35,406,481	20.59%		\$229.70	\$276.99	\$47.29	
15		Industrial	91	4,230,350	4,234,536	\$3,946,034	\$4,078,249	\$897,976	\$4,976,225	22.02%		\$3,645.46	\$4,447.47	\$802.01	
16		Interruptible	42	6,637,566	6,534,247	\$4,852,057	\$5,036,794	\$1,283,848	\$6,320,642	25.49%		\$9,993.81	\$12,541.17	\$2,547.36	
17		Special Contracts	5	13,942,231	13,942,231	\$558,982	\$558,982		\$558,982			-	-	-	
18		Transportation	31	36,017,254	36,217,112	\$2,780,124	\$2,780,124	(\$278,012)	\$2,502,112	-10.00%		-	-	-	
19		TOTAL BY CLASS	90,304	136,945,024	141,245,215	\$97,061,339	\$102,898,653	\$18,935,855	\$121,834,508	18.40%					

FOOTNOTES:

1. Includes balancing account amortization rates
2. Seasonal Customer Included with Interruptible, however, not included in Monthly Change calculation.
3. Per Commission Approved Stipulation in Docket UG-153, Order No. 03-570

Avista Utilities
Oregon Gas Operations
Revenue at Present Rates
12 Months Ended June 30, 2005

Sch No	Description	Mo. Ave. Connections	Annualized Connections	Adjusted Therm Sales	Present Rate	Present Revenues
410	Residential	79,462	953,544		\$5.00	\$4,767,720
				51,812,884	1.08689	\$56,314,905
						<u>\$61,082,625</u>
420	General	10,673	128,076		\$6.00	\$768,456
				28,504,205	1.00313	\$28,593,423
						<u>\$29,361,879</u>
424	Large General	89	1,068		\$65.00	\$69,420
				4,039,540	0.94671	\$3,824,273
						<u>\$3,893,693</u>
430	Emergency Institutional				1.00283	<u> </u>
440	Interruptible	42	504	6,534,247	0.77083	\$5,036,794
444	Seasonal 3/1-11/30 (Firm)	2	18	194,996	0.94646	\$184,556
447	Special Contracts	5	60	13,942,231		\$558,982
455	Firm Transportation					
456	Int. Transportation	31	372	36,217,112		\$2,780,124
TOTAL		<u>90,304</u>	<u>1,083,642</u>	<u>141,245,215</u>		<u>\$102,898,653</u>

Avista Utilities
Oregon Gas Operations
Revenue at Proposed Rates
12 Months Ended June 30, 2005

Sch No	Description	Mo. Ave. Connections	Annualized Connections	Adjusted Sales	Proposed Rate	Proposed Revenues
410	Residential	79,462	953,544		\$5.00	\$4,767,720
				51,812,884	1.29895	\$67,302,346
						<u>\$72,070,066</u>
420	General	10,673	128,076		\$6.00	\$768,456
				28,504,205	1.21519	\$34,638,025
						<u>\$35,406,481</u>
424	Large General	89	1,068		\$65.00	\$69,420
				4,039,540	1.15877	\$4,680,898
						<u>\$4,750,318</u>
430	Emergency Inst.				1.21489	
440	Interruptible	42	504	6,534,247	0.96731	\$6,320,642
444	Seasonal 3/1-11/30 (Firm)	2	18	194,996	1.15852	\$225,907
447	Special Contracts	5	60	13,942,231		\$558,982
455	Firm Transportation					
456	Int. Transportation	31	372	36,217,112		\$2,502,112
		<u>90,304</u>	<u>1,083,642</u>	<u>141,245,215</u>		<u>\$121,834,508</u>

Avista Utilities
 Monthly Weather Adjustment
 Oregon Gas Jurisdiction
 July 2004 to June 2005

Description	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Annual Total
DDH from Normal													
Medford				19	-37	91	12	52	100	15	70		322
Roseburg				-18	-46	56	22	-13	79	-18	29		91
Klamath Falls				-37	-23	112	-32	45	56	-53	10		78
La Grande				-5	22	94	97	1	68	10	45		332
Schedule 410 Customers													
Medford	45,947	47,014		45,883	47,603	47,568	47,574	47,568	47,568	47,574	47,546		47,050
Roseburg	11,975	11,752		12,606	12,498	12,450	12,510	12,498	12,450	12,510	12,436		12,336
Klamath Falls	12,838	13,968		13,177	13,277	13,255	13,240	13,277	13,255	13,240	13,200		13,276
La Grande	6,168	6,213		6,276	6,312	6,306	6,312	6,312	6,306	6,252	6,253		6,261
Total Schedule 410													
Schedule 420 Customers													
Medford	5,939	6,050		5,369	6,111	6,128	6,100	6,111	6,128	6,100	6,091		5,964
Roseburg	2,030	2,168		2,102	2,080	2,100	2,082	2,114	2,100	2,082	2,086		2,088
Klamath Falls	1,575	1,674		1,596	1,614	1,604	1,601	1,615	1,604	1,601	1,590		1,609
La Grande	862	869		872	876	878	880	876	878	880	882		874
Total Schedule 420													
Schedule 410 Weather Adjustment													
Medford	-	-	-	112,703	(224,572)	536,688	73,536	319,568	614,103	92,127	429,673	-	1,953,828
Roseburg	-	-	-	(32,419)	(81,305)	106,173	41,231	(24,436)	147,926	(33,867)	54,241	-	177,544
Klamath Falls	-	-	-	(82,891)	(42,535)	195,399	(56,142)	79,104	98,278	(92,908)	17,477	-	135,782
La Grande	-	-	-	(3,685)	16,334	70,498	73,119	754	51,243	7,471	33,626	-	249,360
Total Schedule 410				13,709	(332,078)	908,759	131,744	374,991	911,549	(27,177)	535,016	-	2,516,513
Schedule 420 Weather Adjustment													
Medford	-	-	-	54,446	(108,008)	235,739	35,215	153,325	295,676	44,149	205,724	-	916,266
Roseburg	-	-	-	(19,242)	(52,517)	61,987	24,097	(14,472)	87,363	(19,830)	32,009	-	99,396
Klamath Falls	-	-	-	(30,536)	(20,175)	93,666	(27,064)	38,082	47,088	(44,463)	8,332	-	64,909
La Grande	-	-	-	(2,068)	9,173	39,328	40,537	420	28,646	4,222	19,043	-	139,302
Total Schedule 420				2,600	(171,527)	430,721	72,785	177,355	458,753	(15,922)	265,107	-	1,219,873

Weather Sensitivity Coefficients	Schedule 410	Schedule 420
Medford	0.1291	0.4825
Roseburg	0.1504	0.5266
Klamath Falls	0.1324	0.5240
La Grande	0.1195	0.4798

Avista Utilities
Oregon Gas Operations
Calculation of Proposed Rates
By Rate Schedule
12 Months Ended June 30, 2005

Exhibit No.__(AU-E)

Line No.	Rate Sch No	Present Customer Charge	Present Tariff Commodity Rate	Proposed Gas Cost Change	Change In Balancing Account Rate	Stipulation Rate Change (Note 2)	Total Offset & Balancing Acct Change	Total Proposed Commodity Rate	Proposed Customer Charge	Total Percent Change
	(A)	(B)	(C)	(D)	(E)	(F)	(G) (D)+(E)+(F)	(H) (C)+(G)	(I)	(J) (F)/(C)
1	410	\$5.00	\$1.08689	\$0.21206			\$0.21206	\$1.29895	\$5.00	19.51%
2	420	\$6.00	\$1.00313	\$0.21206			\$0.21206	\$1.21519	\$6.00	21.14%
3	424	\$65.00	\$0.94671	\$0.21206			\$0.21206	\$1.15877	\$65.00	22.40%
4	430		\$1.00283	\$0.21206			\$0.21206	\$1.21489		21.15%
5	440		\$0.77083	\$0.20682		(\$0.01034)	\$0.19648	\$0.96731		25.49%
6	444		\$0.94646	\$0.21206			\$0.21206	\$1.15852		22.41%
7	455									
		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									
		First 10,000	\$0.14620			(\$0.01720)	(\$0.01720)	\$0.12900		-11.76%
		Next 20,000	\$0.08791			(\$0.01034)	(\$0.01034)	\$0.07757		-11.76%
		Next 20,000	\$0.07223			(\$0.00850)	(\$0.00850)	\$0.06373		-11.76%
		Next 200,000	\$0.05648			(\$0.00664)	(\$0.00664)	\$0.04984		-11.76%
		All Additional	\$0.02856			(\$0.00336)	(\$0.00336)	\$0.02520		-11.76%
		Customer Charge	\$212.50			(\$25.00)	(\$25.00)	\$187.50		-11.76%
9	444	\$6,233.37		\$1,396.62			\$1,396.62	\$7,629.99		22.41%
10	456	\$1,354.30						\$1,354.30		

Note 1 - All Rate Changes Adjusted To Include The Revenue Sensitive Costs (See Exhibit No. ____(AU-B)

Note 2 - Per Commission Approved Stipulation in Docket UG-153, Order No. 03-570

**Contact:**

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Investors: Jason Lang (509) 495-2930 jason.lang@avistacorp.com

Avista 24/7 Media Access (509) 495-4174

Avista Utilities Requests Natural Gas Price Adjustment in Oregon

New rates reflect the higher cost of wholesale natural gas and would become effective Oct. 1

SPOKANE, Wash. – August 16, 2005: Avista Corp. (NYSE:AVA) filed a request today with Oregon regulators to increase natural gas rates by an average of 18 percent to be effective Oct. 1, 2005. The proposed increase would generate an additional \$18.9 million in revenue to offset the higher cost of wholesale natural gas.

If the Oregon Public Utility Commission (OPUC) approves the proposed increase, a residential customer using an average of 53 therms per month can expect to see an average increase of \$11.24 per month, or about 18 percent. Commercial and industrial customers can expect to see an average increase of 20.6 percent and 22 percent respectively, and large interruptible customers will see an increase of 25.5 percent. The higher increase percentages for commercial and industrial customers are due to lower base rates.

Energy prices in the Pacific Northwest have risen dramatically in the last five years. As oil prices have reached new highs, average U.S. natural gas prices tripled between December 2000 and the end of 2004. And the price utilities pay for natural gas is running almost 33 percent higher than prices of just a year ago. Nationally, wholesale prices for this coming winter have been hovering around \$8 per 1,000 cubic feet compared to about \$6 a year ago.

Avista works hard to purchase the lowest cost natural gas supplies available and stabilize prices. However, price fluctuations have continued in the marketplace. To track the ups and downs in the cost of wholesale gas, Avista annually files purchased gas cost adjustments (PGAs). Avista does not profit from these higher gas commodity prices because they are passed through directly, without markup, to consumers.

Avista employs a number of strategies to minimize the impact of higher gas prices, notably through measured resource planning efforts and price hedging programs. Strategies include demand-side activities such as promoting energy efficiency, supply side actions such as contracting for additional pipeline capacity, and the development of new resources.

Customer Programs

Avista recognizes the impact of price increases on its customers, especially on those who have the most difficulty paying their energy bill. In addition to working to control the cost of providing service, Avista's ongoing commitment to customers also includes support of Project Share, an energy assistance program. In 2004, Avista customers contributed more than \$326,000

to Project Share, and Avista contributed an additional \$200,000. These contributions helped 2,987 households in the region with their energy bills. The average grant was \$165.44 per household.

In 2002, the OPUC approved Avista's Low Income Rate Assistance Program (LIRAP). This program includes a tariff rider charge for natural gas and has provided approximately \$660,000 for energy assistance for 1,800 qualified Avista customers in Oregon.

Some of the other customer programs offered by Avista include CARES, a program assisting those who face challenges paying their bills; Comfort Level Billing, a plan that averages annual energy bills into equal monthly payments; and ongoing energy conservation and efficiency programs available to residential, commercial and industrial customers.

Avista also offers rebates for residential weatherization (wall, floor, ceiling, ducts) and high efficiency water heaters and furnaces. The company offers energy conservation education and energy use guides to help customers reduce energy costs on a long-term basis and get the most value for their energy dollar.

For more information on conservation tips, energy assistance programs, and bill payment plans, customers may visit www.avistautilities.com or call Avista at (800) 227-9187.

Avista serves approximately 90,000 natural gas customers in Oregon.

OPUC Review

This request to increase natural gas rates is subject to public review and a decision by the Oregon Public Utility Commission. Customers may contact the commission for additional information about these filings. The OPUC is accepting public comment on these filings by mail at 550 Capitol Street NE, Suite 215, Salem, Oregon 97310-2148 or by phone at (800) 522-2404. Copies of the proposed tariff changes are available in the company's offices and the offices of the state utility commission.

Avista Corp. is an energy company involved in the production, transmission and distribution of energy as well as other energy-related businesses. Avista Utilities is a company operating division that provides service to 330,000 electric and 285,000 natural gas customers in three western states. Avista's non-regulated subsidiaries include Avista Advantage and Avista Energy. Avista Corp.'s stock is traded under the ticker symbol "AVA." For more information about Avista, please visit www.avistacorp.com.

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BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

IN THE MATTER OF THE APPLICATION OF) NOTICE OF APPLICATION
AVISTA UTILITIES FOR AN ORDER) FOR REAUTHORIZATION
REAUTHORIZING DEFERRAL OF CERTAIN) OF CERTAIN DEFERRAL
COSTS) COSTS

Avista Utilities pursuant to ORS 757.259 and OAR 860-27-300(4) applies to the Oregon Public Utility Commission ("Commission") for an order reauthorizing it to utilize deferral accounting for gas cost differences.

In addition, Avista Utilities applies to the Oregon Public Utility Commission ("Commission") for an order reauthorizing it to utilize deferral accounting for the reduction in margin for interruptible and transportation customers as set forth in the Commission's Order No. 03-570 in Avista's 2003 general rate case in UG-153.

Item 1 - PGA Balancing Account

Avista requests reauthorization to continue deferring gas cost differences as set forth in PGA Schedule 462C. Such differences have been accumulated in Account No. 191000 and Account No. 191900 for distribution to or collection from customers at a later date consistent with the dictates of the PGA methodology.

Due to the volatility of the price of gas purchased for customer use the associated costs are difficult to establish with any degree of certainty. This volatility makes the use of a deferral account extremely important.

The Commission previously approved deferral of gas cost differences for the 12-month period beginning October 1, 2004 through the PGA methodology. The Company proposes to continue deferring these cost differences. Entries reflecting all system supply differences have been recorded since this deferral was authorized.

It is appropriate that deferral accounting be reauthorized for the same reasons that originally established the PGA mechanism. Deferral minimizes both the frequency of rate

1 changes and the fluctuation of rate levels pursuant to
2 subsection (2)(C) of ORS 757.259.
3

4 Absent the approval of deferred accounting, standard
5 accounting practices would be utilized for the recording of
6 expense and customers would not receive any of the benefits of
7 changes in the cost of gas. Therefore, this deferral account
8 should be reauthorized in order to permit the benefits of open
9 access purchases to flow to Avista Utilities' Oregon customers.

10
11 Avista seeks, with this application, to receive
12 reauthorization of this deferral for the next 12 months or
13 until October 1, 2006.
14

15
16 Item 2 Interruptible and Transportation Service Margin
17 Reduction Account
18

19
20 Avista requests reauthorization to continue deferring the
21 reduction in margin for customers on Schedules 440 and 456 that
22 was set forth in the Commission's Order No. 03-570 and Appendix
23 B of the Order (Stipulation of the parties), in Avista's 2003
24 general rate case in UG-153. That order approved a decrease of
25 5% in the rates for transportation service customers on
26 Schedule 146 to become effective March 1, 2004 and two
27 subsequent Schedule 456 decreases of 10% each to become
28 effective October 1, 2004 and October 1, 2005. The Commission
29 also approved a decrease in the rate for Interruptible Sales
30 Service Schedule 440 equal to the reduction in the second-block
31 rate under Schedule 456, as set forth in the Stipulation of the
32 Parties. The Order further provided for deferral of these
33 amounts until the next general rate case filing and recovery of
34 the present deferrals from sales customers at the next PGA rate
35 reduction filing. The reduction in margin to customers on
36 Schedules 440 and 456 has been accumulated in Account No.
37 191890 for collection from customers at a later date consistent
38 with the dictates of Commission Order No. 03-570.
39

40 Reauthorization of the Interruptible and Transportation
41 Service Margin Reduction Account will delay recovery of these
42 amounts from sales customers until gas costs have stabilized
43 and result in a PGA rate reduction.
44

45 It is appropriate that deferral accounting be reauthorized
46 to minimize both the frequency of rate changes and the
47 fluctuation of rate levels pursuant to subsection (2)(C) of ORS
48 757.259.
49

50 Absent the approval of deferred accounting, the Company

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would request recovery of the deferred amounts with the annual
PGA filing.

Avista seeks, with this application, to receive
reauthorization of this deferral for the next 12 months or
until October 1, 2006.

Item 3 - Notification

The attached Notice of Application was sent to all parties
and interested persons that participated in Avista Utilities
most recent Oregon general rate case.

WHEREFORE, Avista Utilities respectfully requests that its
PGA deferral account and its Interruptible and Transportation
Service Margin Reduction Account described above be
appropriately reauthorized.

DATED this 15th day of August 2005.

Respectfully submitted,
Avista Utilities

By: _____
Kelly O. Norwood, Vice President
State and Federal Regulation

**A PUBLIC NOTICE
TO OREGON GAS CUSTOMERS OF
WP NATURAL GAS, a division of Avista Utilities**

On 8/15/05 Avista Utilities filed its annual Purchase Gas Adjustment (PGA) filing to reflect changes in the cost of gas purchased by Avista to serve customers. This filing requests an overall annual revenue increase of about \$18.9 million or approximately 18.4%.

If approved by the OPUC the following rate increases are expected to become effective on 10/1/05.

Schedule 410, Residential	17.99%
Schedule 420, General	20.59%
Schedule 424, Large General	22.00%
Schedule 440, Interruptible	25.49%
Schedule 444, Seasonal	22.41%

If approved the average residential customer using 53 therms per month will see a monthly increase of about \$11.24.

As a natural gas distribution company, Avista is only passing through the costs of acquiring gas for its customers and does not mark up or make additional profits—the increase in revenues is offset by an increase in the cost of gas purchased.

A copy of the filing is available for inspection at the district offices listed below. Additional information may be obtained from Ms. Patty Olsness, Avista Utilities, P.O. Box 3727, Spokane, Washington 99220-3727, (509) 495-4067.

Notice of the time and place of hearings that may be held on this application may be obtained by calling the Oregon Public Utility Commission at (800) 522-2404.

The purpose of this announcement is to provide Avista's Oregon gas customers with general information about the filing. This proposed rate change is subject to examination and approval by the Commission, and may be altered or changed.

Oregon District Offices

Medford - 580 Business Park Drive, Medford, OR 97504
Roseburg - 1404 Green Siding Road, Roseburg, OR 97470
Klamath Falls - 456 Market Street, Klamath Falls, OR 97601
LaGrande - 10201 South F Street, Island City, OR 97850

Avista Proposes 18% Increase in Gas Prices due to Higher Cost of Natural Gas

On August 15, Avista filed with the Oregon Public Utility Commission (OPUC) a request to increase natural gas rates by an average of 18 percent to be effective October 1, 2005. This **[Important Notice for Oregon Avista Utilities Customers]** request 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. Any increases or decreases resulting from these PGA filings directly result from the cost of gas purchased in the marketplace; Avista makes no additional profits from these rate changes. The proposed increase would generate an additional \$18.9 million in revenue to offset the higher cost of natural gas.

This proposed increase reflects a 33 percent increase in the wholesale price of natural gas during the past year. The price for natural gas can fluctuate based on supply and demand, similar to the price for crude oil. In fact, the price for natural gas has followed the same upward trend as oil prices over the past few years. The demand for natural gas has increased substantially in recent years, especially for its use as a fuel to generate electricity. This increased demand has created a close relationship between the supply and demand for natural gas, resulting in upward pressure on the market price.

If the proposed increase is approved by the OPUC, a residential customer using an average of 53 therms per

[Continued on reverse.]

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If the proposed increase is approved by the OPUC, a residential customer using an average of 53 therms per

[Continued on reverse.]

month can expect to see an average increase of \$11.24 per month, or about 18.0 percent. The present average monthly bill of \$62.61 for 53 therms would increase to \$73.85. Commercial and industrial customers served under Schedules 420 and 424 can expect to see an average increase of 20.6 percent and 22.0 percent respectively, and large interruptible customers served under Schedule 440 will see an increase of 25.5 percent. The higher increase percentages for commercial and industrial customers are due to lower base rates. Copies of the filing and proposed tariff changes are available in Avista's offices and the office of the OPUC.

Now is the time to prepare for winter heating bills.

Take time to check that your home is properly sealed and insulated. Check the caulking around your windows and door frames. Also check the insulation in your attic. A well-insulated home will keep the heat from escaping and can save in heating costs. Avista

also offers partial rebates for the cost of installing certain energy-saving measures, as well as high-efficiency furnaces and water heaters.

If you are not already on Comfort Level Billing, consider applying for this service. Comfort Level Billing averages your annual bill into equal monthly payments.

For information on conservation tips, energy assistance programs, and bill payment plans, visit our website at www.avistautilities.com or call us at 1-800-227-9187.

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Avista Utilities
Oregon Gas Operations
Development of Balancing Account Amortization Rates

Line No.	Acct No.	Description	Tariff Rate per Therm 10/1/04	Adjusted Account Balance	Weather Adjusted Amortization Therms	Amort. Rate per Therm 10/1/05	(2) Tariff Rate per Therm 10/1/05	Change in Tariff Rate 10/1/05
		(A)	(B)	(C)	(D)	(E)	(F)	(G)
Balancing Accounts Applicable to Firm Only								
					(4)	(C)/(D)		
1		Commercial Energy Efficiency(W/O 1819)	0.00013	196,650	84,551,624	0.00013	0.00013	
2		Resid High Eff. Water Heating (W/O 1831)	0.00018	288,769	84,551,624	0.00018	0.00018	
3		Resid High Eff. Space Heating (W/O 1832)	0.00142	2,337,837	84,551,624	0.00138	0.00142	
Firm & Interruptible:								
4	191710	Total Combined	(0.00020)	(54,585)	91,085,871	(0.00019)	(0.00020)	
5	186790	\$350 Rebate	0.00334	335,400	91,085,871	0.00325	0.00334	
6	191890	Transporter Margin Deferral			91,085,871			
7		TOTAL (Lines 5 - 9)	0.00314	280,815		0.00306	0.00314	
8	191XXX	Purch. Gas Adjustments	0.06068	12,815,111	182,171,742	0.05902	0.06068	
9	Firm, Interruptible Sales/Transportation:				127,103,125			
10	Transportation Only				49,959,485			
11	TOTAL GAS		0.06555	15,919,182		0.06377	0.06555	
12	Total Per Therm - Firm (410/420/424/430/444)		0.06555			0.06377	0.06555	
13	Total Per Therm - Interruptible (440)		0.06382			0.06208	0.06382	
14	Total Per Therm - Firm Transportation							
15	Total Per Therm - Int. Transportation							

FOOTNOTES:

(1) Combined with Account 191.71

(2) Revenue Sensitive Costs, See Exhibit No.____(AU-B) =

2.7354%

(3) Sales Less Transportation and Special Contracts.

(4) Sales Less Transportation, Special Contracts and Interruptible.

Avista Utilities
Oregon Gas Operations
Deferral Account Adjustments

Acct Number	Work Order	Account Description	6/30/05 Balance	Adjustments	Transfer To Combined Account	Adjusted Balance
191710		Total Combined Account	(54,585.22)			(54,585.22)
1817/1838		\$350 Conservation Rebate Program	335,400.10			335,400.10
191000		Purchased Gas Adjustment Acct	8,386,201.20			8,386,201.20
191900		Purchased Gas Adjustment Acct	4,428,910.35			4,428,910.35
191890		Transporter Margin Deferral	582,912.32	(Note 1) (582,912.32)		
1819		Commercial Energy Efficiency	196,649.72			196,649.72
1831		Residential High Efficiency Water Heating	288,769.31			288,769.31
1832		Residential High Efficiency Space Heating	2,337,836.80			2,337,836.80
		Total	<u>16,502,094.58</u>	<u>(582,912.32)</u>		<u>15,919,182.26</u>

Note 1 - Not Recoverable at this time

Avista Utilities
Oregon Gas Operations
Summary of Present and Proposed Rates
2005 PGA Tracking Application

Line No.	Description	Rate Sch	Adjusted Sales (Therms)	Revenues at Present Rates	PGA Gas Costs		Temporary Increments Remove Old	Temporary Increments Add New	Other Changes (Note 1)	Total Change		Revenues at Proposed Rates
					Demand Portion	Commodity Portion				In Rates	In Revenue	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(K)	(L)	(M)	(N)
1	Residential	410	51,812,884	\$61,082,825	\$0.00524	\$0.20682	\$0.21206	\$0.06555	\$0.06555	\$0.21206	\$10,987,441	\$72,070,066
2	General	420	28,504,205	\$29,361,879	\$0.00524	\$0.20682	\$0.21206	\$0.06555	\$0.06555	\$0.21206	\$6,044,602	\$35,406,481
3	Large General	424	4,039,540	\$3,893,693	\$0.00524	\$0.20682	\$0.21206	\$0.06555	\$0.06555	\$0.21206	\$856,625	\$4,750,318
4	Emergency Instit.	430			\$0.00524	\$0.20682	\$0.21206	\$0.06555	\$0.06555	\$0.21206		
5	Interruptible	440	6,534,247	\$5,036,794		\$0.20682	\$0.20682	\$0.06382	(\$0.01034)	\$0.19648	\$1,283,848	\$6,320,642
6	Seasonal	444	194,996	\$184,556	\$0.00524	\$0.20682	\$0.21206	\$0.06555		\$0.21206	\$41,351	\$225,907
7	Special Contract	447	13,942,231	\$558,982								\$558,982
8	Firm Transportation	455										
9	Int. Transportation	456	36,217,112	\$2,780,124					(\$0.00768)	(\$0.00768)	(\$278,012)	\$2,502,112
10	TOTAL		141,245,215	\$102,898,653								\$18,935,855

Note 1 Per Commission Approved Stipulation in Docket UG-153, Order No. 03-570

Avista Utilities
 Oregon Gas Operations
 Summary of Present and Proposed Rates
 2005 PGA Tracking Application

Line No.	Description	Rate Sch	Adjusted Sales (Therms)	Revenues at Present Rates	PGA Gas Costs		Temporary Increments		Other Changes (Note 1)	Total Change		Revenues at Proposed Rates
					Demand Portion	Commodity Portion	Remove Old	Add New		In Rates	In Revenue	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
1	Residential	410	51,812,884	\$61,082,625	\$271,500	\$10,715,941	\$10,987,441	(\$3,396,335)	\$3,396,335	\$0.21206	\$10,987,441	\$72,070,066
2	General	420	28,504,205	\$29,361,879	\$149,362	\$5,895,240	\$6,044,602	(\$1,868,451)	\$1,868,451	\$0.21206	\$6,044,602	\$35,406,481
3	Large General	424	4,039,540	\$3,893,693	\$21,167	\$835,458	\$856,625	(\$264,792)	\$264,792	\$0.21206	\$856,625	\$4,750,318
4	Emergency Instit.	430								\$0.21206		
5	Interruptible	440	6,534,247	\$5,036,794		\$1,351,413	\$1,351,413	(\$417,016)	\$417,016	\$0.19648	\$1,283,848	\$6,320,642
6	Seasonal (2)	444	194,996	\$184,556	\$1,022	\$40,328	\$41,350	(\$12,782)	\$12,782	\$0.21206	\$41,351	\$225,907
7	Special Contract	447	13,942,231	\$558,982								\$558,982
8	Firm Transportation	455										
9	Int. Transportation	456	36,217,112	\$2,780,124								
10	TOTAL		141,245,215	\$102,898,653	\$443,051	\$18,838,380	\$19,281,431	(\$5,959,376)	\$5,959,376	(\$278,012)	(\$278,012)	\$2,502,112
												\$18,935,855
												\$121,834,508

Note 1 Per Commission Approved Stipulation in Docket UG-153, Order No. 03-570