

Avista Corp.
1411 East Mission PO Box 3727
Spokane, Washington 99220-3727
Telephone 509-489-0500
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October 5, 2006

Advice No. 06-06-G Supplemental

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

Attention: Ms. Vikie Bailey-Googins

Avista Utilities hereby requests the withdrawal of the Company's PGA filing dated August 30, 2006. As a replacement of that filing, Avista submits an original and ten (10) 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, 2006.

<u>Oregon PUC Sheet No.</u>	<u>Title of Sheet</u>	<u>Canceling Oregon PUC Sheet No.</u>
Supplemental Twelfth Revision Tariff Sheet 410	Schedule No. 410 General Residential Natural Gas Service	Twelfth Revision Tariff Sheet 410
Supplemental Twelfth Revision Tariff Sheet 420	Schedule No. 420 General Natural Gas Service	Twelfth Revision Tariff Sheet 420
Supplemental Twelfth Revision Tariff Sheet 424	Schedule No. 424 Large General and Industrial Natural Gas Service	Twelfth Revision Tariff Sheet 424
Supplemental Eleventh Revision Tariff Sheet 430	Schedule No. 430 Emergency Institutional Service	Eleventh Revision Tariff Sheet 430
Supplemental Thirteenth Revision Tariff Sheet 440	Schedule No. 440 Interruptible Natural Gas Service For Large Commercial and Industrial	Thirteenth Revision Tariff Sheet 440
Supplemental Twelfth Revision Tariff Sheet 444	Schedule No. 444 Seasonal Natural Gas Service	Twelfth Revision Tariff Sheet 444

Supplemental Seventh Revision Tariff Sheet 455	Schedule No. 455 Firm Transportation of Customer-Owned Natural Gas For Large General and Industrial Service	Seventh Revision Tariff Sheet 455
Supplemental Ninth Revision Tariff Sheet 456	Schedule No. 456 Interruptible Transportation of Customer-Owned Natural Gas For Large Commercial and Industrial Service	Ninth Revision Tariff Sheet 456
Supplemental Eighth Revision Tariff Sheet 459	Schedule No. 459 Firm Natural Gas Standby Sales Service	Eighth Revision Tariff Sheet 459
Supplemental First Revision Tariff Sheet 461	Schedule No. 461 Purchased Gas Cost Adjustment Provision	First Revision Tariff Sheet 461
Supplemental First Revision Tariff Sheet 461A	Schedule No. 461A Purchased Gas Cost Adjustment Provision	First Revision Tariff Sheet 461A
Supplemental First Revision Tariff Sheet 461B	Schedule No. 461B Purchased Gas Cost Adjustment Provision	First Revision Tariff Sheet 461B
Supplemental First Revision Tariff Sheet 461C	Schedule No. 461C Purchased Gas Cost Adjustment Provision	First Revision Tariff Sheet 461C

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. If approved, this filing would result in an annual revenue increase of about 6.9% or \$8.7 million. 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 Company is proposing an increase of 6.379 cents per therm in the annual weighted average cost of gas (WACOG) based on executed fixed-price hedges and forward natural gas prices on September 28th for unhedged volumes. Additional information regarding the prices used for the unhedged volumes is provided in Exhibit AU-O. The annual WACOG proposed in this filing is 85.727 cents per therm (see Exhibit __ (AU-A), Page 1), as compared to the annual WACOG of 79.348 cents per therm incorporated within the Company's present sales service rates.

The Company hedges the majority of its estimated load requirements for the forthcoming year. The company uses a dollar-cost averaging approach for volumes to be hedged, with the volumes generally divided into 45-day execution "windows" between February and August. The company has completed its scheduled hedges for the forthcoming PGA year (Nov. '06 – Oct. '07). Additional information regarding the Company's hedging plan is provided in Exhibit AU-P.

The Company continuously reviews its procurement strategy and makes changes that it believes are appropriate. This past year, the Company has begun incorporating an amount of longer-term hedges into its purchase portfolio to provide an additional degree of rate stability in the future. Approximately 15% of the total purchases for the next year have been hedged at a three-year fixed price. The Company's plan is to continue layering-in three-year fixed price hedges until these hedges represent at least one-third of the portfolio going forward. This revised plan has been incorporated into the Company's Risk Management Policy and provided to the Commission Staff.

The Company's proposed WACOG is higher than those of the other two natural gas utilities providing service in Oregon. The Company believes that most of this difference can be explained by differences in past procurement practices and differences in the availability of underground storage. The difference in past procurement practices relates to the tenure of the hedges executed by the three utilities. Up until this year, Avista's executed hedges have been no longer than one year in tenure, while the other two utilities have been executing hedges with different tenures, with some up to three years. As a result, a portion of their supply for the forthcoming year was hedged at a fixed price over two years ago. Those fixed prices at that time were considerably less than the fixed (forward) market prices that we have seen during the past year. As described above, the Company has begun layering in three-year fixed price hedges to provide additional price stability in the future.

Regarding the availability of underground storage, the Company can supply only about one percent of its Oregon customers' load requirements, through a Jackson Prairie storage contract it has with Northwest Pipeline. At least one other Oregon natural gas utility can supply a substantial portion of its load requirements through its ownership in an underground storage facility. Underground storage allows the utility to take advantage of seasonal differentials in the price of natural gas that often occur. The Company is actively pursuing opportunities for additional storage for its Oregon customers, however, those opportunities appear to be limited due to market conditions and the current value of underground storage.

The proposed rates in this filing also incorporate the proposed rate increases filed by the Company's two major pipeline suppliers, Northwest Pipeline and Gas Transmission Northwest. The proposed pipeline rates, while not approved, will begin being billed to the Company on January 1, 2007. These pipeline rate increases are substantial, representing nearly one-half of the proposed increase.

With regard to the amortization rate reflected in the proposed tariffs, the company is proposing an amortization rate of 6.843 cents per therm to all firm sales service customers on schedules 410, 420, 424, 430 and 444 and an amortization rate of 2.412 cents per therm for interruptible sales service customers on schedule 440. At October 31, 2006 the company has an estimated deferred gas cost balance of approximately \$7.6 million. The proposed amortization rate would recover this outstanding balance in approximately two years. Additionally, the company has an estimated DSM balance, not including the state-mandated program, of approximately \$3.5 million and is proposing to recover this amount over three years.

The Company believes that the proposed two-year amortization of deferred gas costs is reasonable given the magnitude of the overall proposed increase, inclusion of 100% of the proposed pipeline rates and the accelerated recovery of DSM costs. A one-year recovery of deferred gas costs would result in an increase of 11.9% compared to the proposed increase of 6.9% with a two-year amortization.

The Company proposes to implement the following rate increases <decreases>, incorporating the components previously described (see Exhibit __ (AU-C), Page 1):

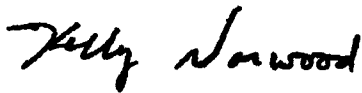
Schedule 410, Residential	7.07%
Schedule 420, General	7.91%
Schedule 424, Large General	8.34%
Schedule 440, Interruptible	0.46%
Schedule 444, Seasonal	8.45%
Schedule 455, Firm Transportation	0%
Schedule 456, Interruptible Transportation	0%

With the proposed increase, the typical residential customer using an average of 52 therms per month would see their monthly bill increase by \$5.31, from a present average monthly bill of \$75.06 to \$80.37.

Included in this filing is a Certificate of Service, a copy of the press release (see Exhibit __ (AU-L) that is being issued coincident with this filing, and a copy of the workpapers and additional exhibits supporting this filing. A copy of the bill insert reflecting the Company's original PGA filing is included as Exhibit AU-M; the Company will provide additional information to customers in their November bills regarding the actual level of the PGA approved by the Commission.

Please direct any questions regarding this filing to Craig Bertholf at (509) 495-4124 or Brian Hirschhorn 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, revised purchase gas costs adjustment (PGA) filing Docket UG176, upon the parties listed below by mailing a copy thereof, postage prepaid or by electronic mail.


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

Citizens' Utilities Board
910 SW Broadway, Suite 308
Portland, OR 97209
Jason@OregonCUB.org
Bob@OregonCUB.org
Lowrey@OregonCUB.org

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 5th day of October 2006.



Patty Olsnes
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. 06-6-G _____
 (UTILITY COMPANY))
 TO WAIVE STATUTORY NOTICE.)

NOTE: ATTACH EXHIBIT IF SPACE IS INSUFFICIENT.

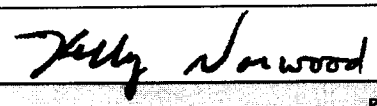
1. GENERAL DESCRIPTION OF THE PROPOSED SCHEDULE (S) ADDITION, DELETION, OR CHANGE. (SCHEDULE INCLUDES ALL RATES, TOLLS AND CHARGES FOR SERVICE AND ALL RULES AND REGULATIONS AFFECTING THE SAME)
 Adjust the weighted average cost of gas (WACOG) filed in the Annual Purchased Gas Cost Adjustment Filing to reflect more 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)
 Twelfth Revision Tariff Sheet 410, Residential Natural Gas Service
 Twelfth Revision Tariff Sheet 420, General Natural Gas Service
 Twelfth Revision Tariff Sheet 424, Large General and Industrial Natural Gas Service
 Eleventh Revision Tariff Sheet 430, Emergency Institutional Service
 Thirteenth Revision Tariff Sheet 440, Interruptible Natural Gas Service for Large Commercial and Industrial
 Twelfth Revision Tariff Sheet 444, Seasonal Natural Gas Service
 Seventh Revision Tariff Sheet 455, Firm Transportation of Customer-Owned Natural Gas for General & Industrial Service
 Ninth Revision Tariff Sheet 456, Interruptible Transportation of Customer-Owned Natural Gas for General & Industrial Service
 Eighth Revision Tariff Sheet 459, Firm Natural Gas Standby Sales Service
 First Revision Tariff Sheet 461, Purchased Gas Cost Adjustment Provision
 First Revision Tariff Sheet 461A, Purchased Gas Cost Adjustment Provision
 First Revision Tariff Sheet 461B, Purchased Gas Cost Adjustment Provision
 First Revision Tariff Sheet 461C, Purchased Gas Cost Adjustment Provision

3. THE PROPOSED SCHEDULE(S) SHALL BE AS FOLLOWS: (INSERT SCHEDULE REFERENCE BY NUMBER, PAGE AND ITEM)
 Supplemental Twelfth Revision Tariff Sheet 410, Residential Natural Gas Service
 Supplemental Twelfth Revision Tariff Sheet 420, General Natural Gas Service
 Supplemental Twelfth Revision Tariff Sheet 424, Large General and Industrial Natural Gas Service
 Supplemental Eleventh Revision Tariff Sheet 430, Emergency Institutional Service
 Supplemental Thirteenth Revision Tariff Sheet 440, Interruptible Natural Gas Service for Large Commercial and Industrial
 Supplemental Twelfth Revision Tariff Sheet 444, Seasonal Natural Gas Service
 Supplemental Seventh Revision Tariff Sheet 455, Firm Transportation of Customer Owned N.G. for General. & Industrial Service
 Supplemental Ninth Revision Tariff Sheet 456, Interruptible Transportation of Customer Owned N.G. for Gen. & Industrial Service
 Supplemental Eighth Revision Tariff Sheet 459, Firm Natural Gas Standby Sales Service
 Supplemental First Revision Tariff Sheet 461, Purchased Gas Cost Adjustment Provision
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 Supplemental First Revision Tariff Sheet 461B, Purchased Gas Cost Adjustment Provision
 Supplemental First Revision Tariff Sheet 461C, Purchased Gas Cost Adjustment Provision

4. REASON FOR REQUESTING A WAIVER OF STATUTORY NOTICE:
 The Company is filing to adjust the previously filed WACOG in Advice No. 06-06-G to reflect more current market prices.

5. REQUESTED EFFECTIVE DATE OF THE NEW SCHEDULE (S) OR CHANGES (S): November 1, 2006

AUTHORIZED SIGNATURE 6. 	TITLE Vice President, State and Federal Regulation	DATE 10/5/06
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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 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:

\$1.44931

(I)

Minimum Charge:

The Customer Charge constitutes the Minimum Charge.

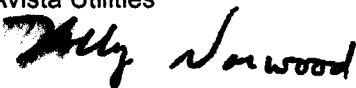
SPECIAL CONDITIONS:

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.

Advice No. 06-06-G Supplemental
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November 1, 2006

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By



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

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:	\$6.00
Commodity Charge Per Therm:	\$1.36555

(1)

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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AVISTA CORPORATION
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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:

\$1.30913

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.

(continued)

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AVISTA CORPORATION
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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:

\$1.36525

Minimum Charge: None

(I)

SPECIAL CONDITIONS:

- 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: \$1.02031

(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.

SPECIAL CONDITIONS:

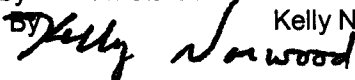
1. This service is available only where capacity in excess of firm sales and firm transportation requirements exists in the Company's system.
2. Service under this schedule is not available to any "essential agricultural user" or "high priority user" (as defined in Section 281.203(a), Title 18, Code 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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AVISTA CORPORATION
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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:

\$1.30887

(l)

Minimum Charge:

\$8,620.20 per season.

(l)

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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AVISTA CORPORATION
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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 2.2545 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.

(R)

(continued)

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, Vice President, State & Federal Regulation



AVISTA CORPORATION
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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

Per Month

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 2.2545 percent to cover governmental fees and levies imposed upon the Company, as those fees and levies may be in effect from time to time.

(R)

(continued)

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Kelly Norwood

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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:

\$1.24870

(I)

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.

(continued)

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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 supercedes Schedules 462, 463, 464 and 465. This Schedule shall be effective during the period November 1, 2006 through October 31, 2007.

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 (LUG) 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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Kelly O. Norwood, VP, State & Federal Regulation

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dba Avista Utilities

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: (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%.
- 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 WACOG per therm is as follows:

\$0.85727

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 last year's (i.e. July 1 – June 30) actual sales, weather-normalized.

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

\$0.20787

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

Advice No. 06-06-G Supplemental
Issued: October 5, 2006

Effective For Service On & After:
November 1, 2006

Issued by Avista Utilities

By



Kelly O. Norwood, VP, State & Federal Regulation

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 461 (continued)

PURCHASED GAS COST ADJUSTMENT PROVISION - OREGON

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

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 deferred balance at September 30, 2004 on a monthly basis using the Company's authorized rate of return.

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

5. Interest (cont.) - All monthly gas cost deferrals between October 1, 2004 and September 30, 2005 will be tracked separately with interest applied to that balance at 4.0% per annum. All monthly gas cost deferrals between October 1, 2005 and September 30, 2006 will be tracked separately with interest applied to that balance at the Company's authorized rate of return. The Company shall not compute interest on the deferrals accrued between October 1, 2006 and October 31, 2007, until November 1, 2007.

C. AMORTIZATION OF ACCOUNT 191 SUB-ACCOUNT DEFERRALS

The Account 191 sub-account balances shall be amortized over the twelve (12) month period commencing with the November 1 adjustment date or such other time period acceptable to the Company and the Commission. The deferred balance at September 30, 2004 plus accrued interest shall be completely amortized prior to any amortization being applied to gas cost deferrals accumulated after September 30, 2004.

C. 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.

D. TIME AND MANNER OF FILING:

Applications must be made 60 days in advance.

E. 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.

F. 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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By



Kelly O. Norwood,

VP, State & Federal Regulation

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

Workpapers of
AVISTA UTILITIES
for
Purchased Gas Cost Filing
October 5, 2006
Exhibit No. ____ (AU-A)

Line No.	Description	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
		Present Therms	07/01/05 Daily Rate (MMBTu's)	07/01/05 Mo. Rate (Therms)	Present Demand Cost	Present Commodity Cost	Proposed Therms	Weighted Daily Rate (MMBTu)	Weighted Mo. Rate (Therms)	Proposed Demand Costs	Proposed Commodity Costs	
Northwest Pipeline Corporation (NWP)												
1	TF-1 Demand	5,435,140	\$0.27760	\$0.84437	\$4,589,269		5,435,140	\$0.41053	\$1.24870	\$6,786,860	(Note 1)	
2	TF-1 Variable Transportation							\$0.01310				
3	TF-2 SGS-1 Reservation Charge	31,476	\$0.27760	\$0.84437	26,577		31,080	\$0.41053	\$1.24870	38,810		
4	TF-2 LS Reservation Charge	56,640	\$0.27760	\$0.84437	47,825		56,640	\$0.41053	\$1.24870	70,726		
5	TF-2 SGS/LS Commodity Charge		\$0.03000	\$0.00300				\$0.01130	\$0.00113			
6	SGS Demand Charge	314,760	\$0.01689	\$0.05137	16,169		318,480	\$0.01643	\$0.04997	15,914		
7	SGS Capacity Demand	11,335,440	\$0.00062	\$0.00189	21,424		11,467,800	\$0.00060	\$0.00183	20,986		
8	LS-1 Demand	2,304,000	\$0.02600	\$0.07908	182,200		2,304,000	\$0.03062	\$0.09314	214,595		
9	LS-1 Capacity	20,688,000	\$0.00332	\$0.01010	208,949		20,688,000	\$0.00391	\$0.01189	245,980		
10	LS-1 Vaporization		\$0.03030	\$0.09216				\$0.03992	\$0.12142			
11	Northwest Natural-Odorization					(Note 1)					(Note 1)	
Gas Transmission Northwest												
12	Demand T-3 (Oct - Mar)	397,200		\$0.79014	313,844		397,200		\$1.10319	438,188	(Note 1)	
13	Variable Transportation T-1/T-3						17,531,700		\$0.00373			
14	Demand T-1 (Year Round)	3,376,800		\$0.72314	2,441,887		3,376,800		\$1.14103	3,853,033	(Note 1)	
15	Medford Lateral Demand Charge	3,948,000			6,560,529		4,008,000			6,647,884		
16	Alberta Nat Gas - Demand	3,018,360		\$0.16024	483,659		3,018,330	0.06268	\$0.19065	575,450	(Note 1)	
17	- Variable Transportation											
18	NOVA Demand	3,411,480		\$0.35716	1,218,434		3,411,480		\$0.33540	1,144,217	(Note 1)	
19	Tuscarora Westcoast Firm Demand	24,000	\$0.48330	\$1.47004	35,112		24,000		\$1.21667	29,200		
20	Long Term Capacity Release Credits				(3,500,000)		6,969,817		\$0.03444	(3,480,498)		
21	Commodity	91,085,872		0.79348		72,274,818	91,275,437		\$0.85727	826,875	78,247,694	
22	Upstream Canadian Demand Costs				423,385						(Note 1)	
23	Jackson Prairie Withdrawals					(Note 1)					(Note 1)	
24	Plymouth Withdrawals					(Note 1)					(Note 1)	
25	Produced Gas					(Note 1)					(Note 1)	
26	Total	91,085,872			13,069,263	72,274,818	91,275,437			17,668,249	78,247,694	
27	Total Therms Sold				91,085,871	91,085,871				91,275,437	91,275,437	
28	Less: Interruptible				(6,534,247)					(6,279,774)		
29	Rate Per Therm				84,551,624	91,085,871				84,995,663	91,275,437	
30	Previous Rate Per Therm				\$0.15457	\$0.79348				\$0.20787	\$0.85727	
31	Gas Cost Change									\$0.15457	\$0.79348	
32										\$0.05330	\$0.06379	

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

Avista Utilities
Oregon Gas Operations
WACOG Calculation (Per Therm)

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Month (A)	Normalized Purchase Volumes(1) (B)	Estimated Glendale Volumes (C)	Storage Withdrawals (D)	Hedged Volumes (E)	Index Volumes (F)=(C)-(D)-(E)=(F)	Estimated Hedged WACOG (G)	Blended WACOG Per Annette's Budget (H)	Estimated Hedged Cost (I)	Estimated Index Cost (F)*(H)=(J)	Estimated Hedged/ Index Cost (I)/(H)=(K)	Estimated Glendale WACOG (L)	Estimated Glendale Cost (C)*(L)=(M)	Estimated Sumas Volumes (N)	Westcoast/ Duke Demand Rate (O)	Westcoast/ Duke Embedded in Commodity (N)*(O)=(P)	Estimated Ocorazon Costs (Q)	Cost of Storage Withdrawals (R)	Sales Terms(1) (S)	Variable Transportation Cost(3) (T)	Net Estimated Cost (K)+(M)-(P)+(O)+(R)-(T)=(U)(S)=(V)	Correct Estimated WACOG (U)/(S)=(V)
October 2007	5,757,194	8,000		5,425,000	324,194	\$0.80164	\$0.6485	\$4,348,913	\$215,741	\$4,564,654	\$1.74	\$13,920	775,000	\$0.03500	(\$27,125)	\$800		5,669,320	\$6,406	\$4,558,655	\$0.80409
November 2006	10,306,665	14,000		9,750,000	542,665	\$0.90465	\$0.4710	\$8,820,375	\$262,281	\$9,082,656	\$1.74	\$24,360	2,250,000	\$0.03500	(\$76,750)	\$1,300		10,149,350	\$11,469	\$9,041,035	\$0.89080
December	14,985,474	18,000	127,170	13,950,000	890,304	\$0.91836	\$0.6297	\$12,811,138	\$575,237	\$13,386,435	\$1.74	\$31,320	3,875,000	\$0.03500	(\$135,625)	\$1,500	\$82,810	14,756,744	\$16,675	\$13,383,115	\$0.90692
January 2007	13,883,710	26,000	374,920	13,950,000	(467,210)	\$0.91836	\$0.6650	\$12,811,138	\$318,824	\$12,492,314	\$1.74	\$45,240	3,875,000	\$0.03500	(\$135,625)	\$1,500	\$244,133	13,671,797	\$15,449	\$12,665,011	\$0.92621
February	12,079,003	25,000	303,510	10,500,000	1,250,493	\$0.91010	\$0.6705	\$9,556,060	\$860,402	\$10,416,452	\$1.74	\$49,500	3,500,000	\$0.03500	(\$122,500)	\$2,300	\$197,634	11,894,636	\$13,441	\$10,550,827	\$0.88702
March	10,260,919	17,000	80,690	8,525,000	1,638,229	\$0.88986	\$0.6552	\$7,596,088	\$1,101,447	\$8,697,535	\$1.74	\$29,580	2,325,000	\$0.03500	(\$81,375)	\$3,800	\$2,543	10,104,302	\$11,418	\$8,703,501	\$0.86137
April	7,531,201	9,000	69,360	6,000,000	1,452,841	\$0.76819	\$0.6044	\$4,615,125	\$901,081	\$5,516,206	\$1.74	\$15,660	2,250,000	\$0.03500	(\$78,750)	\$1,200	\$45,164	7,416,249	\$8,380	\$5,507,860	\$0.74267
May	5,320,979	7,000		4,650,000	863,979	\$0.77892	\$0.6034	\$3,621,963	\$534,967	\$4,156,930	\$1.74	\$12,180	2,325,000	\$0.03500	(\$81,375)	\$2,000		5,436,710	\$6,143	\$4,095,878	\$0.75337
June	2,708,228	4,000		3,000,000	(295,772)	\$0.79113	\$0.6142	\$2,373,375	\$186,416	\$2,559,791	\$1.74	\$6,960	750,000	\$0.03500	(\$26,250)	\$2,900		2,666,892	\$3,014	\$2,170,683	\$0.81394
July	3,420,820	4,000		2,325,000	1,091,820	\$0.82750	\$0.6285	\$1,923,938	\$704,169	\$2,628,107	\$1.74	\$6,960	775,000	\$0.03500	(\$27,125)	\$2,900		3,368,607	\$3,807	\$2,614,649	\$0.77618
August	2,678,469	4,000		2,325,000	349,469	\$0.82750	\$0.6359	\$1,923,938	\$228,043	\$2,151,981	\$1.74	\$6,960	775,000	\$0.03500	(\$27,125)	\$2,900		2,637,595	\$2,980	\$2,135,986	\$0.80983
September	3,557,544	6,000		3,000,000	551,544	\$0.81713	\$0.6387	\$2,451,375	\$361,487	\$2,812,862	\$1.74	\$10,440	150,000	\$0.03500	(\$5,250)	\$800		3,503,244	\$3,959	\$2,822,811	\$0.80577
Total	92,630,206	142,000	955,650	83,400,000	8,192,556			\$72,843,416	\$5,239,675	\$78,083,091		\$247,080	23,625,000		(\$826,875)	\$19,300	622,284	91,275,437	\$103,141	\$78,248,021	\$0.85727

This came from Annette's

updated numbers effective 9/30/06, Total Basin prices

(1) From page 3 of Exh. AU-A of workpapers

(2) Includes pipeline loss factor of approx. 2.6%

(3) Total therms (O) times NWP variable transportation rate

	Weather Adjusted Actual Sales	Unaccounted For Gas At 1.55%	Normalized Purchased Volumes
July	3,368,607	52,213	3,420,820
August	2,637,586	40,883	2,678,469
September	3,503,244	54,300	3,557,544
October	5,669,320	87,874	5,757,194
November	10,149,350	157,315	10,306,665
December	14,756,744	228,730	14,985,474
January	13,671,797	211,913	13,883,710
February	11,894,636	184,367	12,079,003
March	10,104,302	156,617	10,260,919
April	7,416,249	114,952	7,531,201
May	5,436,710	84,269	5,520,979
June	2,666,892	41,336	2,708,228
	<u>91,275,437</u>	<u>1,414,769</u>	<u>92,690,206</u>

	7/05	8/05	9/05	10/05	11/05	12/05	1/06	2/06	3/06	4/06	5/06	6/06	Total 7/05 - 6/06
Actual Therms Sold/Transported													
Sch 410, Residential	1,377,779	985,187	1,115,231	1,938,681	3,665,987	7,947,633	7,976,400	7,431,005	7,136,937	5,786,706	3,069,663	1,726,933	50,158,142
Sch 420, General	981,690	821,621	931,855	1,266,820	2,104,816	4,314,947	4,383,817	4,028,331	3,884,170	3,130,974	1,690,831	1,107,959	28,647,831
Sch 424, Large General	251,205	205,598	232,176	290,882	364,741	633,932	368,898	511,627	486,850	374,835	345,282	279,492	4,345,518
Sch 430, Emergency Instit.													
Sch 440, Interruptible	544,913	447,989	620,321	566,249	524,557	549,289	510,387	610,900	524,107	441,788	422,148	354,498	6,117,146
Sch 447 Special Contracts	1,114,913	771,652	678,837	689,736	754,136	749,239	821,064	916,949	503,377	495,512	434,210	377,635	8,307,260
Sch 444, Seasonal Firm	13,278	5,881	127,742	19,199	3,655	1,689		23	(4)	19	2,042	5,727	179,251
Sch 455, Firm Transportation													
Sch 456, Int. Transportation	2,869,923	2,462,576	2,542,779	2,582,110	2,787,928	2,736,466	2,800,938	2,981,102	2,845,273	3,166,903	2,667,162	2,570,668	33,013,828
Total Throughput	7,153,701	5,700,504	6,248,941	7,353,677	10,205,820	16,933,195	16,861,504	16,479,937	15,380,710	13,396,737	8,631,338	6,422,912	130,768,976
Less: Transportation													
Sch 447 Special Contracts	(1,114,913)	(771,652)	(678,837)	(689,736)	(754,136)	(749,239)	(821,064)	(916,949)	(503,377)	(495,512)	(434,210)	(377,635)	(8,307,260)
Sch 455, Firm Transportation													
Sch 456, Int. Transportation	(2,869,923)	(2,462,576)	(2,542,779)	(2,582,110)	(2,787,928)	(2,736,466)	(2,800,938)	(2,981,102)	(2,845,273)	(3,166,903)	(2,667,162)	(2,570,668)	(33,013,828)
Total Sales	3,168,865	2,466,276	3,027,325	4,081,831	6,663,756	13,447,490	13,239,502	12,581,886	12,032,060	9,734,322	5,529,966	3,474,609	89,447,888
Net Unbilled Therms													
Sch 410, Residential	1,778	3,128	213,189	712,872	2,530,194	225,694	(338)	(613,136)	(131,956)	(1,809,937)	(732,597)	(478,799)	(79,908)
Sch 420, General	120,954	102,935	126,663	602,147	1,417,774	155,934	(505,110)	34,483	(285,559)	(844,606)	(628,179)	(282,701)	14,735
Sch 424, Large General	(14,352)												(14,352)
Sch 430, Emergency Instit.													
Sch 440, Interruptible	91,362	65,247	136,067	(13,354)	65,947	28,725	(38,045)	(48,650)	114,185	(181,260)	(11,379)	(46,217)	162,628
Sch 447 Special Contracts						821,898	95,051	(413,625)	(7,812)	(61,302)	(56,575)	51,024	428,659
Sch 444, Seasonal Firm													
Sch 455, Firm Transportation													
Sch 456, Int. Transportation	(820,773)	(14,786)	49,908	303,479	(29,194)	(782,700)	186,448	(136,408)	306,861	(483,219)	(98,039)	(117,488)	(1,635,911)
Total Unbilled Therms	(621,031)	156,524	525,827	1,605,144	3,984,721	449,551	(261,994)	(1,177,336)	(4,281)	(3,380,324)	(1,526,769)	(874,181)	(1,124,149)
Less: Transportation													
Sch 447 Special Contracts						(821,898)	(95,051)	413,625	7,812	61,302	56,575	(51,024)	(428,659)
Sch 455, Firm Transportation													
Sch 456, Int. Transportation	820,773	14,786	(49,908)	(303,479)	29,194	782,700	(186,448)	136,408	(306,861)	483,219	98,039	117,488	1,635,911
Total Sales Unbilled Therms	199,742	171,310	475,919	1,301,665	4,013,915	410,353	(543,493)	(627,303)	(303,330)	(2,835,803)	(1,372,155)	(807,717)	83,103
Weatherization Adjustment													
Sch 410, Residential				190,511	(341,536)	607,512	644,043	(31,773)	(1,078,228)	347,225	857,151		1,194,905
Sch 420, General				95,313	(186,785)	291,389	331,745	(28,174)	(546,200)	170,505	421,748		549,541
Total Weather Adjustment				285,824	(528,321)	898,901	975,788	(59,947)	(1,624,428)	517,730	1,278,899		1,744,446
Weather Normalized Actual Sales													
Sch 410, Residential	1,379,557	988,315	1,328,420	2,842,064	5,854,645	8,780,839	8,620,105	6,786,096	5,926,753	4,323,994	3,194,217	1,248,134	51,273,139
Sch 420, General	1,102,644	924,556	1,058,518	1,964,280	3,335,805	4,762,270	4,210,452	4,034,640	3,052,411	2,456,873	1,484,400	825,258	29,212,107
Sch 424, Large General	236,853	205,598	232,176	290,882	364,741	633,932	368,898	511,627	486,850	374,835	345,282	279,492	4,331,166
Sch 430, Emergency Instit.													
Sch 440, Interruptible	636,275	513,236	756,388	552,895	590,504	578,014	472,342	562,250	638,292	260,528	410,769	308,281	6,279,774
Sch 447 Special Contracts	1,114,913	771,652	678,837	689,736	754,136	1,571,137	916,115	503,324	495,565	434,210	377,635	428,659	8,735,919
Sch 444, Seasonal Firm	13,278	5,881	127,742	19,199	3,655	1,689		23	(4)	19	2,042	5,727	179,251
Sch 455, Firm Transportation													
Sch 456, Int. Transportation	2,049,150	2,447,790	2,592,687	2,885,589	2,758,734	1,953,766	2,987,386	2,844,694	3,152,134	2,683,684	2,569,123	2,453,180	31,377,917
Total Therms	6,532,670	5,857,028	6,774,768	9,244,645	13,662,220	18,281,647	17,575,298	15,242,654	13,752,001	10,534,143	8,383,468	5,548,731	131,389,273
Less: Transportation													
Sch 447 Special Contracts	(1,114,913)	(771,652)	(678,837)	(689,736)	(754,136)	(1,571,137)	(916,115)	(503,324)	(495,565)	(434,210)	(377,635)	(428,659)	(8,735,919)
Sch 455, Firm Transportation													
Sch 456, Int. Transportation	(2,049,150)	(2,447,790)	(2,592,687)	(2,885,589)	(2,758,734)	(1,953,766)	(2,987,386)	(2,844,694)	(3,152,134)	(2,683,684)	(2,569,123)	(2,453,180)	(31,377,917)
Total Sales Therms	3,368,607	2,637,586	3,503,244	5,669,320	10,149,350	14,756,744	13,671,797	11,894,636	10,104,302	7,416,249	5,436,710	2,666,892	91,275,437

	FTS-1 Contract 204 (Oct - Mar)	FTS-1 Contract 182 Vintage	FTS-1 Contract 2591 (Nov - Apr)	FTS-1 Contract 2591 (Oct - Mar)	E-1 Lateral Contract 2858	E-2 Lateral Contract 2857 (Nov - Apr)	E-2 Lateral Contract 8035 (Nov - Apr)	E-2 Lateral Contract 2857 (May - Oct)	Total
MMBTu's	6,620	7,140	28,500	13,500	1,400	30,000	20,000	15,000	
Number of Effective Months	6	12	6	6	12	6	6	6	
Annual MMBTu's	39,720	85,680	171,000	81,000	16,800	180,000	120,000	90,000	
Fixed Rate (Note 1)	\$ 1.306903	\$ 1.412621	\$ 1.306903	\$ 1.306903	\$ 0.148778		\$ 0.000000	\$ 0.000000	
Mileage Rate (Note 1)	\$ 0.016230	\$ 0.017486	\$ 0.016230	\$ 0.016230	\$ 0.373792	\$ 0.189234	\$ 0.189234	\$ 0.189234	
Mileage	599.20	599.20	612.46	612.46	22.85	88.10	88.10	88.10	
Total Mileage Rate	\$ 9.725020	\$ 10.477610	\$ 9.940230	\$ 9.940230	\$ 8.541150	\$ 16.671520	\$ 16.671520	\$ 16.671520	
Fixed Annual Amount	\$ 51,910.19	\$ 121,033.37	\$ 223,480.41	\$ 105,859.14	\$ 2,499.47	\$ 0.00	\$ 0.00	\$ 0.00	\$ 504,782.58
Annual Mileage Based Amount	\$ 386,277.79	\$ 897,721.62	\$ 1,699,779.33	\$ 805,158.63	\$ 143,491.32	\$ 3,000,873.60	\$ 2,000,582.40	\$ 1,500,436.80	\$ 10,434,321.49
Total Annual Amount	\$ 438,187.98	\$ 1,018,754.99	\$ 1,923,259.74	\$ 911,017.77	\$ 145,990.79	\$ 3,000,873.60	\$ 2,000,582.40	\$ 1,500,436.80	\$ 10,939,104.07

Note 1 - Rate are pro-rated per the following:

Gas Transmission NW, Third Revised Volume No. 1-A	8th Revised Sheet No. 4 (Current)	9th Revised Sheet No. 4 (Proposed)	Total Pro-Rated Rate
Daily Fixed Rate Non Mileage		\$ 0.049918	
Annualize		365	
Divide by 12 Months		12	
Monthly Rate (Per MMBTu)	\$ 0.884028	\$ 1.518340	
Effective Months	2	10	
Divide by 6 Months	12	12	
Pro-Rated Fixed Rate (Per MMBTu)	\$ 0.147338	\$ 1.265283	\$ 1.412621
Daily Fixed Rate Non Mileage		\$ 0.049918	
Annualize		365	
Divide by 12 Months		12	
Monthly Rate (Per MMBTu)	\$ 0.884028	\$ 1.518340	
Effective Months	2	4	
Divide by 6 Months	6	6	
Pro-Rated Fixed Rate (Per MMBTu)	\$ 0.294676	\$ 1.012227	\$ 1.306903
Daily Mileage Per Mile (Oct - Mar)		\$ 0.000616	
ACA		\$ 0.000000	
Total		\$ 0.000616	
Annualize		365	
Divide by 12 Months		12	
Monthly Rate (Per MMBTu)	\$ 0.011212	\$ 0.018740	
Effective Months	2	4	
Divide by 12 Months	6	6	
Pro-Rated Fixed Rate (Per MMBTu)	\$ 0.003737	\$ 0.012493	\$ 0.016230
Daily Mileage Per Mile (Annuals)		\$ 0.000616	
ACA		\$ 0.000000	
Total		\$ 0.000616	
Annualize		365	
Divide by 12 Months		12	
Daily Mileage Per Mile (Annual)	\$ 0.011212	\$ 0.018740	
Effective Months	2	10	
Divide by 12 Months	12	12	
Pro-Rated Fixed Rate (Per MMBTu)	\$ 0.001869	\$ 0.015617	\$ 0.017486
Daily Fixed Rate Non Mileage (E-1)		\$ 0.003917	
Annualize		365	
Divide by 12 Months		12	
Monthly Rate (Per MMBTu)	\$ 0.296969	\$ 0.119140	
Effective Months	2	10	
Divide by 12 Months	12	12	
Pro-Rated Fixed Rate (Per MMBTu)	\$ 0.049495	\$ 0.099283	\$ 0.148778
Daily Mileage Per Mile E-1 (Annuals)		\$ 0.014747	
Annualize		365	
Divide by 12 Months		12	
Daily Mileage Per Mile (Annual)	\$ -	\$ 0.448550	
Effective Months	2	10	
Divide by 12 Months	12	12	
Pro-Rated Fixed Rate (Per MMBTu)	\$ -	\$ 0.373792	\$ 0.373792

Effective Date	Contract Demand (Dth's)	Contract Number of Months	Annual Contract Demand	Km	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)	Translated to U.S.\$ Monthly Rate	Estimated U.S. Rate	Annual Fixed Costs
11/1/06	28,429	12	341,148				3.74	3.94591	85%			\$3.35402	\$1,144,217
Table of Rates, Tools & Charges, effective 4/1/06, as per EUB Order U21006-83													
1/1/06	6,857	6	41,145	170.7	0.012454355541	.0698945257		0.07374	85%	0.06268	1.90652		\$78,444
TransCanada BC System Gas Transportation Service Documents, Tab 3, Page 2													
1/1/06	21,724	12	260,688	170.7	0.012454355541	.0698945257		0.07374	85%	0.06268	1.90652		\$497,006
TransCanada BC System Gas Transportation Service Documents, Tab 3, Page 2													

Avista Utilities
 Calculation of Northwest Pipeline Billing Determinates

	TF-10	F-60	Total	Seasonal Reduction	Total	Plymouth Contract 100317 TF-2 LS	Plymouth Contract 100602 LS-1 Demand	Plymouth Contract 100602 LS-1 Capacity	JP Contract 100315 TF-2 SGS	JP Contract 100403 SGS Demand	JP Contract 100403 SGS Capacity
January	308,710	148,600	457,310		457,310	4,720	192,000	1,724,000	2,590	26,540	955,650
February	308,710	148,600	457,310		457,310	4,720	192,000	1,724,000	2,590	26,540	955,650
March	308,710	148,600	457,310		457,310	4,720	192,000	1,724,000	2,590	26,540	955,650
April	308,710	148,600	457,310		457,310	4,720	192,000	1,724,000	2,590	26,540	955,650
May	308,710	148,600	457,310		457,310	4,720	192,000	1,724,000	2,590	26,540	955,650
June	308,710	148,600	457,310	(13,145)	444,165	4,720	192,000	1,724,000	2,590	26,540	955,650
July	308,710	148,600	457,310	(13,145)	444,165	4,720	192,000	1,724,000	2,590	26,540	955,650
August	308,710	148,600	457,310	(13,145)	444,165	4,720	192,000	1,724,000	2,590	26,540	955,650
September	308,710	148,600	457,310	(13,145)	444,165	4,720	192,000	1,724,000	2,590	26,540	955,650
October	308,710	148,600	457,310		457,310	4,720	192,000	1,724,000	2,590	26,540	955,650
November	308,710	148,600	457,310		457,310	4,720	192,000	1,724,000	2,590	26,540	955,650
December	308,710	148,600	457,310		457,310	4,720	192,000	1,724,000	2,590	26,540	955,650
Total	3,704,520	1,783,200	5,487,720	(52,580)	5,435,140	56,640	2,304,000	20,688,000	31,080	318,480	11,467,800

Rate Schedule FT-D	
Demand Rate per month (C\$) (10 cubed/m cubed)	\$446.78
Daily Demand (*12 mos/365 days)	\$14.6887
Convert to GJ (/38.25)	\$0.384017
Convert to MMBtu's (*1.055056)	\$0.405159
Convert to U.S. Dollars	85%
	<u><u>\$0.344385</u></u>

12 Months Ending

June 2002	2.08%
June 2003	1.90%
June 2004	2.21%
June 2005	0.65%
June 2006	0.92%
TOTAL	<u>7.76%</u>
5 Year Average	<u>1.55%</u>

Oregon Jackson Prairie Inventory/Prepaid Gas
 Account 164100 GD OR
 Dekatherms Contract 100403

	Injected Volumes	Withdrawal Volumes	Volume Adjustments	Volume Balance	Injected Value	Withdrawal Value	Cost Adjustments	Balance	WACOG
Dec-04	-	(20,000)		60,000		\$ (107,608.00)		\$ 322,821.53	\$ 5.3804
Jan-05	-	(20,000)		40,000		\$ (107,608.00)		\$ 215,213.53	\$ 5.3803
Feb-05	-	(20,000)		20,000		\$ (107,606.00)		\$ 107,607.53	\$ 5.3804
Mar-05	-	(20,000)		-		\$ (107,607.53)		\$ -	\$ -
Apr-05	-	-		-				\$ -	\$ -
May-05	-	-		-				\$ -	\$ -
Jun-05	42,295	-		42,295	\$ 238,768.46			\$ 238,768.46	\$ 5.6453
Jul-05	32,546	-		74,841	\$ 196,976.36		1,062.16	\$ 436,806.98	\$ 5.8365
Aug-05	4,000	-		78,841	\$ 25,737.81		0.02	\$ 462,544.81	\$ 5.8668
Sep-05	3,602	-		82,443	\$ 31,312.01		(66.42)	\$ 493,790.40	\$ 5.9895
Oct-05	-	-		82,443			(21.53)	\$ 493,768.87	\$ 5.9892
Nov-05	-	-		82,443				\$ 493,768.87	\$ 5.9892
Dec-05	-	-	13,122	95,565			82,783.77	\$ 576,552.64	\$ 6.0331
Jan-06	-	(34,502)		61,063		\$ (208,154.02)		\$ 368,398.62	\$ 6.0331
Feb-06	-	(41,018)		20,045		\$ (247,465.70)		\$ 120,932.92	\$ 6.0331
Mar-06	-	(6,842)		13,203		\$ (41,278.47)		\$ 79,654.45	\$ 6.0331
Apr-06	-	-		13,203				\$ 79,654.45	\$ 6.0331
May-06	27,324	-		40,527	\$ 212,298.49			\$ 291,952.94	\$ 7.2039
Jun-06	29,434	-		69,961	\$ 179,014.64			\$ 470,967.58	\$ 6.7319
Jul-06	25,604	-		95,565	\$ 151,317.08			\$ 622,284.66	\$ 6.5116
Aug-06	-	-		95,565				\$ 622,284.66	\$ 6.5116
Sep-06 Estimate	-	-		95,565				\$ 622,284.66	\$ 6.5116
Oct-06 Estimate	-	-		95,565				\$ 622,284.66	\$ 6.5116
Nov-06 Estimate	-	-		95,565				\$ 622,284.66	\$ 6.5116
Dec-06 Estimate	-	(12,717)		82,848		\$ (82,810.00)		\$ 539,474.66	\$ 6.5116
Jan-07 Estimate	-	(37,492)		45,356		\$ (244,133.00)		\$ 295,341.66	\$ 6.5116
Feb-07 Estimate	-	(30,351)		15,005		\$ (197,634.00)		\$ 97,707.66	\$ 6.5117
Mar-07 Estimate	-	(8,069)		6,936		\$ (52,543.00)		\$ 45,164.66	\$ 6.5116
Apr-07 Estimate	-	(6,936)		-		\$ (45,164.00)		\$ 0.66	\$ -

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

Workpapers of
AVISTA UTILITIES
for
Purchased Gas Cost Filing
October 5, 2006
Exhibit No.____(AU-B)

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)	\$0.05330	\$0.06379	\$0.11709
2	Revenue Sensitive Costs:			
3	Uncollectibles	0.4548		
4	Regulatory Commission Fee	0.2500		
5	Energy Resource Supplier Assessor	0.0550		
6	Franchise Tax	1.9495		
		<u>2.7093</u>		
7	Revenue sensitive cost (Note 2)	\$0.00148	\$0.00178	\$0.00326
8	Revenue necessary to offset change in purchased gas cost and associated revenue sensitive cost	\$0.05478	\$0.06557	\$0.12035
9	Total Therms Sold and Deliveried (Note 1)	131,389,273	131,389,273	
10	Interruptible Customer Sales	(6,279,774)	XXXX	
11	Firm/Interruptible Transportation Sales (Note 1)	(40,113,836)	(40,113,836)	
12	Total Sales (Therms)	<u>84,995,663</u>	<u>91,275,437</u>	
13	Adjusted Revenue Change : (Line 8 x Line 12)	<u>\$4,656,062</u>	<u>\$5,984,930</u>	<u>\$10,640,992</u>

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

Note 2 - Derived: $1/(1-0.027093) = 0.027847$

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

	Sales Customers	Transportation Customers
Revenue Sensitive Costs:		
Uncollectibles	0.4548	
Regulatory Commission Fee	0.2500	0.2500
Energy Resource Supplier Assessment	0.0550	0.0550
Franchise Tax	1.9495	1.9495
Total	<u>2.7093</u>	<u>2.2545</u>
Calculation of Revenue Sensitive Cost Percentage (1/1 - Total Revenue Sensitive Costs)	<u>2.7848</u>	<u>2.3070</u>

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

Workpapers of
AVISTA UTILITIES
for
Purchased Gas Cost Filing
October 5, 2006
Exhibit No.____(AU-C)

Avista Utilities
 Oregon Gas Operations
 Present and Proposed Revenues By Rate Schedule
 12 Months Ended June, 2006

Line Rate No. 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)	(1) Proposed Monthly Cost (M)	Monthly Change (N)	Proposed Change To Monthly Cost (O)
1	410 Residential	81,505	50,158,142	51,273,139	\$71,253,636	\$73,970,087	\$5,230,886	\$79,200,973	7.07%	52	\$75.06	\$80.37	\$5.31	7.07%
2	420 General	10,811	28,647,831	29,212,107	\$36,206,253	\$37,688,766	\$2,980,219	\$40,668,985	7.91%	225	\$290.29	\$313.24	\$22.95	7.91%
3	424 Large General	96	4,345,518	4,331,166	\$5,124,906	\$5,303,074	\$441,865	\$5,744,939	8.33%	3,760	\$4,603.73	\$4,987.33	\$383.60	8.33%
4	430 Emergency Insitt.													
5	440 Interruptible	41	6,117,146	6,279,774	\$5,582,631	\$6,378,052	\$29,264	\$6,407,316	0.46%	12,764	\$12,963.76	\$13,023.24	\$59.48	0.46%
6	444 Seasonal (2)	3	179,251	179,251	\$173,379	\$216,329	\$18,287	\$234,616	8.45%	6,639	\$8,012.28	\$8,689.59	\$677.31	8.45%
7	447 Special Contract	4	8,307,260	8,735,919	\$334,340	\$334,340		\$334,340		--	--	--	--	
8	455 Firm Transport									--	--	--	--	
9	456 Int. Transport	29	33,013,828	31,377,917	\$2,277,627	\$2,049,864		\$2,049,864		--	--	--	--	
10	TOTAL	92,489	130,768,976	131,389,273	\$120,952,772	\$125,940,512	\$8,700,521	\$134,641,033	6.91%					
11	Miscellaneous Revenues													
12	TOTAL REVENUES				\$120,952,772	\$125,940,512	\$8,700,521	\$134,641,033	6.91%					
13	CLASS OF SERVICE Residential	81,505	50,158,142	51,273,139	\$71,253,636	\$73,970,087	\$5,230,886	\$79,200,973	7.07%		\$75.06	\$80.37	\$5.31	
14	Commercial	10,811	28,647,831	29,212,107	\$36,206,253	\$37,688,766	\$2,980,219	\$40,668,985	7.91%		\$290.29	\$313.24	\$22.95	
15	Industrial	99	4,524,769	4,510,417	\$5,298,285	\$5,519,403	\$460,152	\$5,979,555	8.34%		\$4,603.73	\$4,987.33	\$383.60	
16	Interruptible	41	6,117,146	6,279,774	\$5,582,631	\$6,378,052	\$29,264	\$6,407,316	0.46%		\$12,963.76	\$13,023.24	\$59.48	
17	Special Contracts	4	8,307,260	8,735,919	\$334,340	\$334,340		\$334,340			--	--	--	
18	Transportation	29	33,013,828	31,377,917	\$2,277,627	\$2,049,864		\$2,049,864			--	--	--	
19	TOTAL BY CLASS	92,489	130,768,976	131,389,273	\$120,952,772	\$125,940,512	\$8,700,521	\$134,641,033	6.91%					

FOOTNOTES:
 1. Includes balancing account amortization rates
 2. Seasonal Customer Included with interruptible, however, not included in Monthly Change calculation.

Avista Utilities
Oregon Gas Operations
Revenue at Present Rates
12 Months Ended July 31, 2006

Sch No	Description	Mo. Ave. Connections	Annualized Connections	Adjusted Therm Sales	Present Rate	Present Revenues
410	Residential	81,505	978,060	51,273,139	\$5.00 1.34729	\$4,890,300 \$69,079,787 <u>\$73,970,087</u>
420	General	10,811	129,732	29,212,107	\$6.00 1.26353	\$778,392 \$36,910,374 <u>\$37,688,766</u>
424	Large General	96	1,152	4,331,166	\$65.00 1.20711	\$74,880 \$5,228,194 <u>\$5,303,074</u>
430	Emergency Institutional				1.26323	<u> </u>
440	Interruptible	41	492	6,279,774	1.01565	\$6,378,052
444	Seasonal 3/1-11/30 (Firm)	3	27	179,251	1.20685	\$216,329
447	Special Contracts	4	48	8,735,919		\$334,340
455	Firm Transportation					
456	Int. Transportation	29	348	31,377,917		\$2,049,864
TOTAL		<u>92,489</u>	<u>1,109,859</u>	<u>131,389,273</u>		<u>\$125,940,512</u>

Avista Utilities
Oregon Gas Operations
Revenue at Proposed Rates
12 Months Ended July 31, 2006

Sch No	Description	Mo. Ave. Connections	Annualized Connections	Adjusted Sales	Proposed Rate	Proposed Revenues
410	Residential	81,505	978,060	51,273,139	\$5.00 1.44931	\$4,890,300 \$74,310,673 <u>\$79,200,973</u>
420	General	10,811	129,732	29,212,107	\$6.00 1.36555	\$778,392 \$39,890,593 <u>\$40,668,985</u>
424	Large General	96	1,152	4,331,166	\$65.00 1.30913	\$74,880 \$5,670,059 <u>\$5,744,939</u>
430	Emergency Inst.				1.36525	<u> </u>
440	Interruptible	41	492	6,279,774	1.02031	\$6,407,316
444	Seasonal 3/1-11/30 (Firm)	3	27	179,251	1.30887	\$234,616
447	Special Contracts	4	48	8,735,919		\$334,340
455	Firm Transportation					
456	Int. Transportation	29	348	31,377,917		\$2,049,864
		<u>92,489</u>	<u>1,109,859</u>	<u>131,389,273</u>		<u>\$134,641,033</u>

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

Workpapers of
AVISTA UTILITIES
for
Purchased Gas Cost Filing
October 5, 2006
Exhibit No. ____ (AU-D)

Avista Utilities
 Monthly Weather Adjustment
 Oregon Gas Jurisdiction
 July 2005 to June 2006

Description	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Annual Total
DDH from Normal													
Medford				38	-22	91	60	21	-87	50	105		256
Roseburg				18	-89	33	68	-40	-113	19	38		-66
Klamath Falls				-36	-11	49	33	-17	-177	9	75		-75
La Grande				-14	-64	-128	147	-94	-78	-13	32		-212
Schedule 410 Customers													
Medford				47,701	48,245	48,947	49,118	49,065	49,164	49,136	49,010		Winter Average Customers 48,798
Roseburg				12,394	12,400	12,837	12,809	12,751	12,860	12,818	12,746		12,702
Klamath Falls				13,112	13,284	13,389	13,504	13,528	13,561	13,492	13,432		13,413
La Grande				6,186	6,284	6,339	6,397	6,381	6,367	6,347	6,323		6,328
Total Schedule 410													
Schedule 420 Customers													
Medford				6,085	6,124	6,181	6,227	6,261	6,238	6,233	6,213		Winter Average Customers 6,195
Roseburg				2,084	2,082	2,131	2,126	2,132	2,167	2,130	2,128		2,123
Klamath Falls				1,563	1,589	1,573	1,581	1,576	1,580	1,579	1,567		1,576
La Grande				878	875	877	887	887	881	885	882		882
Total Schedule 420													
Schedule 410 Weather Adjustment													Annual Total
Medford	-	-	-	228,211	(133,629)	560,781	371,037	129,723	(538,508)	309,311	647,888	-	1,574,814
Roseburg	-	-	-	29,470	(145,786)	55,960	115,061	(67,376)	(191,965)	32,172	63,982	-	(108,481)
Klamath Falls	-	-	-	(57,635)	(17,842)	80,105	54,412	(28,080)	(293,076)	14,826	123,004	-	(124,287)
La Grande	-	-	-	(9,535)	(44,280)	(89,334)	103,534	(66,040)	(54,679)	(9,084)	22,277	-	(147,141)
Total Schedule 410	-	-	-	190,511	(341,536)	607,512	644,043	(31,773)	(1,078,228)	347,225	857,151	-	1,194,906
Schedule 420 Weather Adjustment													Annual Total
Medford	-	-	-	110,667	(64,481)	269,199	178,815	62,927	(259,739)	149,156	312,222	-	758,764
Roseburg	-	-	-	17,983	(88,832)	33,713	69,306	(40,883)	(117,391)	19,401	38,766	-	(67,937)
Klamath Falls	-	-	-	(27,892)	(8,664)	38,207	25,862	(13,281)	(138,627)	7,044	58,257	-	(59,094)
La Grande	-	-	-	(5,445)	(24,808)	(49,729)	57,762	(36,936)	(30,442)	(5,097)	12,503	-	(82,192)
Total Schedule 420	-	-	-	95,313	(186,785)	291,389	331,745	(28,174)	(546,200)	170,505	421,748	-	549,541

Weather Sensitivity Coefficients	Schedule 410	Schedule 420
Medford	0.1259	0.4786
Roseburg	0.1321	0.4794
Klamath Falls	0.1221	0.4957
La Grande	0.1101	0.4443

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

Workpapers of
AVISTA UTILITIES
for
Purchased Gas Cost Filing
October 5, 2006
Exhibit No. ____ (AU-E)

Avista Utilities
Oregon Gas Operations
Calculation of Proposed Rates
By Rate Schedule
12 Months Ended July 31, 2006

Line No.	Rate Sch No	Present Customer Charge	Present Tariff Commodity Rate	Proposed Gas Cost Change	Change In Balancing Account Rate	Total Offset & Balancing Acct Change	Total Rate Change	Total Proposed Commodity Rate	Proposed Customer Charge	Total Percent Change
	(A)	(B)	(C)	(D)	(E)	(F) (D)+(E)	(G)	(H) (C)+(G)	(I)	(J) (F)/(C)
1	410	\$5.00	\$1.34729	\$0.12035	(\$0.01833)	\$0.10202	\$0.10202	\$1.44931	\$5.00	7.57%
2	420	\$6.00	\$1.26353	\$0.12035	(\$0.01833)	\$0.10202	\$0.10202	\$1.36555	\$6.00	8.07%
3	424	\$65.00	\$1.20711	\$0.12035	(\$0.01833)	\$0.10202	\$0.10202	\$1.30913	\$65.00	8.45%
4	430		\$1.26323	\$0.12035	(\$0.01833)	\$0.10202	\$0.10202	\$1.36525		8.08%
5	440		\$1.01565	\$0.06557	(\$0.06091)	\$0.00466	\$0.00466	\$1.02031		0.46%
6	444		\$1.20685	\$0.12035	(\$0.01833)	\$0.10202	\$0.10202	\$1.30887		8.45%
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		\$0.12900					\$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		
	Customer Charge		\$187.50					\$187.50		
9	444	\$7,948.30		\$792.62	(\$120.72)	\$671.90	\$671.90	\$8,620.20		8.45%
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))

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

Workpapers of
AVISTA UTILITIES
for
Purchased Gas Cost Filing
October 5, 2006
Exhibit No. ____ (AU-F)

Line No.	Acct No.	Description	Current Tariff Rate per Therm (B)	Adjusted Account Balance (C)	Proposed Amort. Rate per Therm (D)	(2)	Change in Tariff Rate Therm (F)
						Proposed Tariff Rate per Therm (E)	
Balancing Accounts Applicable to Firm Only							
	191900	PGA Demand Deferrals		1,801,517	0.01119	0.01150	0.01150
	191901	PGA Demand Deferrals		2,479,367	0.01604	0.01649	0.01649
1		Commercial Energy Efficiency(W/O 1819)	0.00013	343,610	0.00155	0.00159	0.00146
2		Resid High Eff. Water Heating (W/O 1831)	0.00018	333,212	0.00150	0.00154	0.00136
3		Resid High Eff. Space Heating (W/O 1832)	0.00142	2,851,165	0.01283	0.01319	0.01177
Firm & Interruptible:							
4	191710	Total Combined	(0.00020)				0.00020
5	186790	\$350 Rebate	0.00334	411,308	0.00474	0.00487	0.00153
6	191890	Transporter Margin Deferral					
7		TOTAL (Lines 5 - 9)	0.00314	411,308	0.00474	0.00487	0.00173
8	191900	PGA Commodity Deferrals	0.08189	5,351,391	0.03093	0.03179	(0.05010)
	191901	PGA Commodity Deferrals		(2,024,895)	(0.01220)	(0.01254)	(0.01254)
9	Firm, Interruptible Sales/Transportation:						
10	Transportation Only						
11	TOTAL GAS		0.08676	11,546,676	0.06658	0.06843	(0.01833)
12	Total Per Therm - Firm (410/420/424/430/444)		0.08676		0.06658	0.06843	(0.01833)
13	Total Per Therm - Interruptible (440)		0.08503		0.02347	0.02412	(0.06091)
14	Total Per Therm - Firm Transportation						
15	Total Per Therm - Int. Transportation						

FOOTNOTES:

(1) PGA accounts are recovered over 24 months

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

Avista Utilities
Oregon Gas Operations
Deferral Account Adjustments

Acct Number	Work Order	Account Description	Deferral Order	6/30/06 Balance	Adjustments	Zero Out Combined Account	Estimated Activity 7/06 - 10/06	Adjusted Balance
191710		Total Combined Account	88-011	(41,897.86)		40,551.86	1,346.00	
1817/1838		\$350 Conservation Rebate Program	88-011	374,939.36			36,368.64	411,308.00
191000		PGA Account 9/30/04	91-1160	1,935,674.78	(Note 2) (826,401.92)	(40,551.86)	(1,068,721.00)	
191900		PGA Commodity Account 10/04 - 9/05	91-1160	5,280,978.11			70,413.00	5,351,391.11
		PGA Demand Account 10/04 - 9/05	91-1160	1,777,813.45			23,704.00	1,801,517.45
191901		PGA Commodity 10/1/05 -	91-1160	(1,769,608.79)	826,401.92		(1,081,688.00)	(2,024,894.87)
		PGA Demand 10/1/05 -	91-1160	980,483.05	(Note 1)		1,498,883.87	2,479,366.92
191890		Transporter Margin Deferral	03-570	1,487,804.60	(1,692,246.60)		204,442.00	
1819		Commercial Energy Efficiency	93-1881	308,985.27			34,624.73	343,610.00
1831		Residential High Efficiency Water Heating	93-1881	322,875.29			10,336.71	333,212.00
1832		Residential High Efficiency Space Heating	93-1881	2,741,548.07			109,616.93	2,851,165.00
Total				13,399,595.33	(1,692,246.60)		(160,673.12)	11,546,675.61

Note 1 - Not Recoverable at this time

Note 2 - Netted the old 8.88% Interest PGA Account against the credit balance in the new PGA Deferral 8.88% interest account.

Avista Utilities
Oregon Gas Operations
All Sales Customers Amortization Rate
4% Interest Account 191900

	Estimated Sales Therms	Amortization 0.03093	Interest 4.00%	Balance
				5,351,391.11
November	10,677,671	(330,260.36)	17,287.54	5,038,418.29
December	13,857,843	(428,623.08)	16,080.36	4,625,875.57
January	12,696,009	(392,687.56)	14,765.11	4,247,953.12
February	11,954,583	(369,755.25)	13,543.58	3,891,741.45
March	11,728,730	(362,769.62)	12,367.86	3,541,339.69
April	6,898,519	(213,371.19)	11,448.85	3,339,417.35
May	4,157,811	(128,601.09)	10,917.06	3,221,733.32
June	2,666,892	(82,486.97)	10,601.63	3,149,847.98
July	3,368,607	(104,191.01)	10,325.84	3,055,982.81
August	2,637,586	(81,580.53)	10,050.64	2,984,452.92
September	3,503,244	(108,355.34)	9,767.58	2,885,865.16
October	5,383,496	(166,511.53)	9,342.03	2,728,695.66
November	10,677,671	(330,260.36)	8,545.22	2,406,980.52
December	13,857,843	(428,623.08)	7,308.90	1,985,666.34
January	12,696,009	(392,687.56)	5,964.41	1,598,943.19
February	11,954,583	(369,755.25)	4,713.55	1,233,901.49
March	11,728,730	(362,769.62)	3,508.39	874,640.26
April	6,898,519	(213,371.19)	2,559.85	663,828.92
May	4,157,811	(128,601.09)	1,998.43	537,226.26
June	2,666,892	(82,486.97)	1,653.28	456,392.57
July	3,368,607	(104,191.01)	1,347.66	353,549.22
August	2,637,586	(81,580.53)	1,042.53	273,011.22
September	3,503,244	(108,355.34)	729.45	165,385.33
October	5,383,496	(166,511.53)	273.77	(852.43)

Avista Utilities
Oregon Gas Operations
All Sales Customers Amortization Rate
8.88% Interest Account 191901

	Estimated Sales Therms	Amortization (0.01220)	Interest 8.88%	Balance
				(2,024,894.87)
November	10,677,671	130,267.59	(14,502.23)	(1,909,129.51)
December	13,857,843	169,065.68	(13,502.02)	(1,753,565.85)
January	12,696,009	154,891.31	(12,403.29)	(1,611,077.83)
February	11,954,583	145,845.91	(11,382.35)	(1,476,614.27)
March	11,728,730	143,090.51	(10,397.51)	(1,343,921.27)
April	6,898,519	84,161.93	(9,633.62)	(1,269,392.96)
May	4,157,811	50,725.29	(9,205.82)	(1,227,873.49)
June	2,666,892	32,536.08	(8,965.88)	(1,204,303.29)
July	3,368,607	41,097.01	(8,759.79)	(1,171,966.07)
August	2,637,586	32,178.55	(8,553.49)	(1,148,341.01)
September	3,503,244	42,739.58	(8,339.59)	(1,113,941.02)
October	5,383,496	65,678.65	(8,000.15)	(1,056,262.52)
November	10,677,671	130,267.59	(7,334.35)	(933,329.28)
December	13,857,843	169,065.68	(6,281.09)	(770,544.69)
January	12,696,009	154,891.31	(5,128.93)	(620,782.31)
February	11,954,583	145,845.91	(4,054.16)	(478,990.56)
March	11,728,730	143,090.51	(3,015.10)	(338,915.15)
April	6,898,519	84,161.93	(2,196.57)	(256,949.79)
May	4,157,811	50,725.29	(1,713.74)	(207,938.24)
June	2,666,892	32,536.08	(1,418.36)	(176,820.52)
July	3,368,607	41,097.01	(1,156.41)	(136,879.92)
August	2,637,586	32,178.55	(893.85)	(105,595.22)
September	3,503,244	42,739.58	(623.27)	(63,478.91)
October	5,383,496	65,678.65	(226.73)	1,973.01
	<u>179,061,982</u>			

Avista Utilities
Oregon Gas Operations
All Firm Sales Customers Amortization Rate
4% Interest Account 191900

	Total Firm Sales Therms	Amortization 0.01119	Interest 4.00%	Balance To Be Amortized
				1,801,517.45
November	10,087,167	(112,875.40)	5,816.93	1,694,458.98
December	13,279,829	(148,601.29)	5,400.53	1,551,258.22
January	12,223,667	(136,782.83)	4,942.89	1,419,418.28
February	11,392,333	(127,480.21)	4,518.93	1,296,457.00
March	11,090,438	(124,102.00)	4,114.69	1,176,469.69
April	6,637,991	(74,279.12)	3,797.77	1,105,988.34
May	3,747,042	(41,929.40)	3,616.75	1,067,675.69
June	2,358,611	(26,392.86)	3,514.93	1,044,797.76
July	2,732,332	(30,574.80)	3,431.70	1,017,654.66
August	2,124,350	(23,771.48)	3,352.56	997,235.74
September	2,746,856	(30,737.32)	3,272.89	969,771.31
October	4,830,601	(54,054.43)	3,142.48	918,859.36
November	10,087,167	(112,875.40)	2,874.74	808,858.70
December	13,279,829	(148,601.29)	2,448.53	662,705.94
January	12,223,667	(136,782.83)	1,981.05	527,904.16
February	11,392,333	(127,480.21)	1,547.21	401,971.16
March	11,090,438	(124,102.00)	1,133.07	279,002.23
April	6,637,991	(74,279.12)	806.21	205,529.32
May	3,747,042	(41,929.40)	615.22	164,215.14
June	2,358,611	(26,392.86)	503.40	138,325.68
July	2,732,332	(30,574.80)	410.13	108,161.01
August	2,124,350	(23,771.48)	320.92	84,710.45
September	2,746,856	(30,737.32)	231.14	54,204.27
October	4,830,601	(54,054.43)	90.59	240.43
	<u>166,502,434</u>			

Avista Utilities
Oregon Gas Operations
All Firm Sales Customers Amortization Rate
8.88% Interest Account 191901

	Total Firm Sales Therms	Amortization 0.01604	Interest 8.88%	Balance To Be Amortized
				2,479,366.92
November	10,087,167	(161,798.16)	17,748.66	2,335,317.42
December	13,279,829	(213,008.46)	16,493.22	2,138,802.18
January	12,223,667	(196,067.62)	15,101.69	1,957,836.25
February	11,392,333	(182,733.02)	13,811.88	1,788,915.11
March	11,090,438	(177,890.63)	12,579.78	1,623,604.26
April	6,637,991	(106,473.38)	11,620.72	1,528,751.60
May	3,747,042	(60,102.55)	11,090.38	1,479,739.43
June	2,358,611	(37,832.12)	10,810.09	1,452,717.40
July	2,732,332	(43,826.61)	10,587.95	1,419,478.74
August	2,124,350	(34,074.57)	10,378.07	1,395,782.24
September	2,746,856	(44,059.57)	10,165.77	1,361,888.44
October	4,830,601	(77,482.84)	9,791.29	1,294,196.89
November	10,087,167	(161,798.16)	8,978.40	1,141,377.13
December	13,279,829	(213,008.46)	7,658.06	936,026.73
January	12,223,667	(196,067.62)	6,201.15	746,160.26
February	11,392,333	(182,733.02)	4,845.47	568,272.71
March	11,090,438	(177,890.63)	3,547.02	393,929.10
April	6,637,991	(106,473.38)	2,521.12	289,976.84
May	3,747,042	(60,102.55)	1,923.45	231,797.74
June	2,358,611	(37,832.12)	1,575.32	195,540.94
July	2,732,332	(43,826.61)	1,284.84	152,999.17
August	2,124,350	(34,074.57)	1,006.12	119,930.72
September	2,746,856	(44,059.57)	724.47	76,595.62
October	4,830,601	(77,482.84)	280.12	(607.10)
	<u>166,502,434</u>			

Avista Utilities
Oregon Gas Operations
Work Order 1819 Commercial Energy Efficiency
(3 Year Amortization)

	Estimated Firm Sales Therms	Amortization 0.00155	Interest 8.88%	Balance To Be Amortized
				343,610.00
November	10,087,167	(15,635.11)	2,484.86	330,459.75
December	13,279,829	(20,583.73)	2,369.24	312,245.26
January	12,223,667	(18,946.68)	2,240.51	295,539.09
February	11,392,333	(17,658.12)	2,121.65	280,002.62
March	11,090,438	(17,190.18)	2,008.42	264,820.86
April	6,637,991	(10,288.89)	1,921.61	256,453.58
May	3,747,042	(5,807.92)	1,876.27	252,521.93
June	2,358,611	(3,655.85)	1,855.14	250,721.22
July	2,732,332	(4,235.11)	1,839.67	248,325.78
August	2,124,350	(3,292.74)	1,825.43	246,858.47
September	2,746,856	(4,257.63)	1,811.00	244,411.84
October	4,830,601	(7,487.43)	1,780.94	238,705.35
November	10,087,167	(15,635.11)	1,708.57	224,778.81
December	13,279,829	(20,583.73)	1,587.20	205,782.28
January	12,223,667	(18,946.68)	1,452.69	188,288.29
February	11,392,333	(17,658.12)	1,328.00	171,958.17
March	11,090,438	(17,190.18)	1,208.89	155,976.88
April	6,637,991	(10,288.89)	1,116.16	146,804.15
May	3,747,042	(5,807.92)	1,064.86	142,061.09
June	2,358,611	(3,655.85)	1,037.73	139,442.97
July	2,732,332	(4,235.11)	1,016.21	136,224.07
August	2,124,350	(3,292.74)	995.87	133,927.20
September	2,746,856	(4,257.63)	975.31	130,644.88
October	4,830,601	(7,487.43)	939.07	124,096.52
November	10,087,167	(15,635.11)	860.46	109,321.87
December	13,279,829	(20,583.73)	732.82	89,470.96
January	12,223,667	(18,946.68)	591.98	71,116.26
February	11,392,333	(17,658.12)	460.93	53,919.07
March	11,090,438	(17,190.18)	335.40	37,064.29
April	6,637,991	(10,288.89)	236.21	27,011.61
May	3,747,042	(5,807.92)	178.40	21,382.09
June	2,358,611	(3,655.85)	144.70	17,870.94
July	2,732,332	(4,235.11)	116.58	13,752.41
August	2,124,350	(3,292.74)	89.58	10,549.25
September	2,746,856	(4,257.63)	62.31	6,353.93
October	4,830,601	(7,487.43)	19.32	(1,114.18)

Avista Utilities
Oregon Gas Operations
Work Order 1831 Residential High Efficiency Water Heating
(3 Year Amortization)

	Estimated Firm Sales Therms	Amortization 0.00150	Interest 8.88%	Balance To Be Amortized
				333,212.00
November	10,087,167	(15,130.75)	2,409.79	320,491.04
December	13,279,829	(19,919.74)	2,297.93	302,869.23
January	12,223,667	(18,335.50)	2,173.39	286,707.12
February	11,392,333	(17,088.50)	2,058.41	271,677.03
March	11,090,438	(16,635.66)	1,948.86	256,990.23
April	6,637,991	(9,956.99)	1,864.89	248,898.13
May	3,747,042	(5,620.56)	1,821.05	245,098.62
June	2,358,611	(3,537.92)	1,800.64	243,361.34
July	2,732,332	(4,098.50)	1,785.71	241,048.55
August	2,124,350	(3,186.53)	1,771.97	239,633.99
September	2,746,856	(4,120.28)	1,758.05	237,271.76
October	4,830,601	(7,245.90)	1,729.00	231,754.86
November	10,087,167	(15,130.75)	1,659.00	218,283.11
December	13,279,829	(19,919.74)	1,541.59	199,904.96
January	12,223,667	(18,335.50)	1,411.46	182,980.92
February	11,392,333	(17,088.50)	1,290.83	167,183.25
March	11,090,438	(16,635.66)	1,175.60	151,723.19
April	6,637,991	(9,956.99)	1,085.91	142,852.11
May	3,747,042	(5,620.56)	1,036.31	138,267.86
June	2,358,611	(3,537.92)	1,010.09	135,740.03
July	2,732,332	(4,098.50)	989.31	132,630.84
August	2,124,350	(3,186.53)	969.68	130,413.99
September	2,746,856	(4,120.28)	949.82	127,243.53
October	4,830,601	(7,245.90)	914.79	120,912.42
November	10,087,167	(15,130.75)	838.77	106,620.44
December	13,279,829	(19,919.74)	715.29	87,415.99
January	12,223,667	(18,335.50)	579.04	69,659.53
February	11,392,333	(17,088.50)	452.25	53,023.28
March	11,090,438	(16,635.66)	330.82	36,718.44
April	6,637,991	(9,956.99)	234.88	26,996.33
May	3,747,042	(5,620.56)	178.98	21,554.75
June	2,358,611	(3,537.92)	146.41	18,163.24
July	2,732,332	(4,098.50)	119.24	14,183.98
August	2,124,350	(3,186.53)	93.17	11,090.62
September	2,746,856	(4,120.28)	66.83	7,037.17
October	4,830,601	(7,245.90)	25.27	(183.46)

Avista Utilities
Oregon Gas Operations
Work Order 1832 Residential High Efficiency Space Heating
(3 Year Amortization)

	Estimated Firm Sales Therms	Amortization 0.01283	Interest 8.88%	Balance To Be Amortized
				2,851,165.00
November	10,087,167	(129,418.35)	20,619.77	2,742,366.42
December	13,279,829	(170,380.21)	19,663.10	2,591,649.31
January	12,223,667	(156,829.65)	18,597.94	2,453,417.60
February	11,392,333	(146,163.63)	17,614.48	2,324,868.45
March	11,090,438	(142,290.32)	16,677.55	2,199,255.68
April	6,637,991	(85,165.42)	15,959.38	2,130,049.64
May	3,747,042	(48,074.55)	15,584.49	2,097,559.58
June	2,358,611	(30,260.98)	15,409.98	2,082,708.58
July	2,732,332	(35,055.82)	15,282.34	2,062,935.10
August	2,124,350	(27,255.41)	15,164.87	2,050,844.56
September	2,746,856	(35,242.16)	15,045.85	2,030,648.25
October	4,830,601	(61,976.61)	14,797.48	1,983,469.12
November	10,087,167	(129,418.35)	14,198.82	1,868,249.59
December	13,279,829	(170,380.21)	13,194.64	1,711,064.02
January	12,223,667	(156,829.65)	12,081.60	1,566,315.97
February	11,392,333	(146,163.63)	11,049.93	1,431,202.27
March	11,090,438	(142,290.32)	10,064.42	1,298,976.37
April	6,637,991	(85,165.42)	9,297.31	1,223,108.26
May	3,747,042	(48,074.55)	8,873.13	1,183,906.84
June	2,358,611	(30,260.98)	8,648.94	1,162,294.80
July	2,732,332	(35,055.82)	8,471.27	1,135,710.25
August	2,124,350	(27,255.41)	8,303.41	1,116,758.25
September	2,746,856	(35,242.16)	8,133.62	1,089,649.71
October	4,830,601	(61,976.61)	7,834.09	1,035,507.19
November	10,087,167	(129,418.35)	7,183.91	913,272.75
December	13,279,829	(170,380.21)	6,127.81	749,020.35
January	12,223,667	(156,829.65)	4,962.48	597,153.18
February	11,392,333	(146,163.63)	3,878.13	454,867.68
March	11,090,438	(142,290.32)	2,839.55	315,416.91
April	6,637,991	(85,165.42)	2,018.97	232,270.46
May	3,747,042	(48,074.55)	1,540.93	185,736.84
June	2,358,611	(30,260.98)	1,262.49	156,738.35
July	2,732,332	(35,055.82)	1,030.16	122,712.69
August	2,124,350	(27,255.41)	807.23	96,264.51
September	2,746,856	(35,242.16)	581.96	61,604.31
October	4,830,601	(61,976.61)	226.56	(145.74)

Avista Utilities
Oregon Gas Operations
\$350 Conservation Rebate Program

	Estimated Sales Therms	Amortization 0.00474	Interest 8.88%	Balance To Be Amortized
				411,308.00
November	10,677,671	(50,612.16)	2,856.41	363,552.25
December	13,857,843	(65,686.18)	2,447.25	300,313.32
January	12,696,009	(60,179.08)	1,999.66	242,133.90
February	11,954,583	(56,664.72)	1,582.13	187,051.31
March	11,728,730	(55,594.18)	1,178.48	132,635.61
April	6,898,519	(32,698.98)	860.52	100,797.15
May	4,157,811	(19,708.02)	672.98	81,762.11
June	2,666,892	(12,641.07)	558.27	69,679.31
July	3,368,607	(15,967.20)	456.55	54,168.66
August	2,637,586	(12,502.16)	354.59	42,021.09
September	3,503,244	(16,605.38)	249.52	25,665.23
October	5,383,496	(25,517.77)	95.51	242.97
	<u>89,530,991</u>			

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

Workpapers of
AVISTA UTILITIES
for
Purchased Gas Cost Filing
October 5, 2006
Exhibit No. ____ (AU-G)

Oregon Gas Operations
 Summary of Present and Proposed Rates
 2006 PGA Tracking Application

Line No.	Description	Rate Sch	Adjusted Sales (Therms)	Revenues at Present Rates	PGA Gas Costs		Temporary Increments Remove Old	Add New	Other Changes	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	51,273,139	\$73,970,087	\$0.05478	\$0.12035	(\$0.08676)	\$0.06843		\$0.10202	\$5,230,886	\$79,200,973
2	General	420	29,212,107	\$37,688,766	\$0.05478	\$0.12035	(\$0.08676)	\$0.06843		\$0.10202	\$2,980,219	\$40,668,985
3	Large General	424	4,331,166	\$5,303,074	\$0.05478	\$0.12035	(\$0.08676)	\$0.06843		\$0.10202	\$441,865	\$5,744,939
4	Emergency Instit.	430			\$0.05478	\$0.12035	(\$0.08676)	\$0.06843		\$0.10202		
5	Interruptible	440	6,279,774	\$6,378,052		\$0.06557	(\$0.08503)	\$0.02412		\$0.00466	\$29,264	\$6,407,316
6	Seasonal	444	179,251	\$216,329	\$0.05478	\$0.12035	(\$0.08676)	\$0.06843		\$0.10202	\$18,287	\$234,616
7	Special Contract	447	8,735,919	\$334,340								\$334,340
8	Firm Transportation	455										
9	Int. Transportation	456	31,377,917	\$2,049,864								\$2,049,864
10	TOTAL		131,389,273	\$125,940,512							\$8,700,521	\$134,641,033

Avista Utilities
Oregon Gas Operations
Summary of Present and Proposed Rates
2006 PGA Tracking Application

Line No.	Description	Rate Sch	(B)	Adjusted Sales (Therms)	(C)	Revenues at Present Rates	(D)	PGA Gas Costs		Total Change	(G)	Temporary Increments		Other Changes	(J)	Total Change		Revenues at Proposed Rates	(M)
								Demand Portion	Commodity Portion			Remove Old	Add New			In Rates	In Revenue		
1	Residential	410	51,273,139	\$73,970,087	\$2,808,743	\$3,361,980	\$6,170,723	(\$4,448,458)	\$3,508,621	\$0.10202	\$5,230,886	\$79,200,973							
2	General	420	29,212,107	\$37,688,766	\$1,600,239	\$1,915,438	\$3,515,677	(\$2,534,442)	\$1,998,984	\$0.10202	\$2,980,219	\$40,668,985							
3	Large General	424	4,331,166	\$5,303,074	\$237,261	\$283,994	\$521,255	(\$375,772)	\$296,382	\$0.10202	\$441,865	\$5,744,939							
4	Emergency Instit.	430								\$0.10202									
5	Interruptible	440	6,279,774	\$6,378,052		\$411,765	\$411,765	(\$533,969)	\$151,468	\$0.00466	\$29,264	\$6,407,316							
6	Seasonal (2)	444	179,251	\$216,329	\$9,819	\$11,754	\$21,573	(\$15,552)	\$12,266	\$0.10202	\$18,287	\$234,616							
7	Special Contract	447	8,735,919	\$334,340								\$334,340							
8	Firm Transportation	455																	
9	Int. Transportation	456	31,377,917	\$2,049,864								\$2,049,864							
10	TOTAL		131,389,273	\$125,940,512	\$4,656,062	\$5,984,931	\$10,640,993	(\$7,908,193)	\$5,967,721		\$8,700,521	\$134,641,033							

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

Workpapers of
AVISTA UTILITIES
for
Purchased Gas Cost Filing
October 5, 2006
Exhibit No. ____ (AU-H)

Gross Revenue For 12 Months Ended 6/30/06		\$120,952,772
Revenue Effect of Tracker Filing		
Firm Estimated Amortization Therms	84,995,663	
Proposed Surcharge <Refund> Rate Change	<u>(\$0.01833)</u>	
		(1,557,971)
Interruptible Estimated Amortization Therms	6,279,774	
Proposed Surcharge <Refund> Rate Change	<u>(\$0.06091)</u>	
		<u>(382,501)</u>
Transportation Estimated Amortization Therms	40,113,836	
Proposed Surcharge <Refund> Rate Change	<u>\$0.00000</u>	
		<u>0</u>
Total Revenue Increase <Decrease> in Amortization Surcharge <Refund> Due to Gas Tracker		<u>(1,940,472)</u>
Over <Under> 3% Limitation		<u><u>-1.60%</u></u>

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

Workpapers of
AVISTA UTILITIES
for
Purchased Gas Cost Filing
October 5, 2006
Exhibit No. ____ (AU-I)

	Amount	Location in Company Filing (cite)
1) Change in Annual Revenues (Per OAR 860-022-0017(3)(a))		
A) Dollars (To .1 million)	\$8,700,000	Exhibit No. (AU_C) Page 1
B) Percent (To .1 percent)	6.9%	Exhibit No. (AU_C) Page 1
2) Annual Revenues Calculation (Whole Dollars)		
A) PGA Cost Change (Commodity & Transportation)	\$10,640,993	Exhibit No. (AU_G) Page 2
B) Remove Last Year's Temporary Increment Total	(\$7,908,193)	Exhibit No. (AU_G) Page 2
C) Add New Temporary Increment	\$5,967,721	Exhibit No. (AU_G) Page 2
<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	\$8,700,521	Exhibit No. (AU_G) Page 2
3) Residential Bill Effects Summary		
A) Residential Schedule Rate Impacts		
1) Current Rate per Therm	\$1.34729	Exhibit No. (AU_E) Page 1
2) Proposed Rate per Therm	\$1.44931	Exhibit No. (AU_E) Page 1
3) Rate Change Per Therm	\$0.10202	Exhibit No. (AU_E) Page 1
4) Percent Change per Therm (to .1%)	7.6%	Exhibit No. (AU_E) Page 1
B) Average Residential Bill Impact		
1) Average Residential Monthly Use (whole therms)	52	Exhibit No. (AU_C) Page 1
2) Customer Charge	\$5.00	Exhibit No. (AU_C) Page 1
3) Current Average Monthly Bill	\$75.06	Exhibit No. (AU_C) Page 1
4) Proposed Average Monthly Bill	\$80.37	Exhibit No. (AU_C) Page 1
5) Change in Average Monthly Bill	\$5.31	Exhibit No. (AU_C) Page 1
6) Percent change in Average Monthly Bill (to .1%)	7.1%	Exhibit No. (AU_C) Page 1
C) Average January Residential Bill Impact		
1) Average January 2006 Residential Use (whole therms)	98	Calculated Amount
2) Customer Charge	\$5.00	Exhibit No. (AU_C) Page 1
3) Current Average January Bill	\$137.03	Calculated Amount
4) Proposed Average January Bill	\$147.03	Calculated Amount
5) Change in Average January Bill	\$10.00	Calculated Amount
6) Percent change in Average January Bill (to .1%)	7.3%	Calculated Amount
4) Breakdown of Costs		
A) Embedded in Rates		
1) Total Commodity Cost		
a) Total Demand Cost (assoc. w/ supply)	\$423,385	Exhibit No. (AU_A) Page 1
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)	\$71,851,433	Exhibit No. (AU_A) Page 1
f) Total Storage Cost (assoc. w/ supply)		Exhibit No. (AU_A) Page 1
g) Other (A&G Benchmark Savings)		Exhibit No. (AU_A) Page 1
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	\$16,140,521	Exhibit No. (AU_A) Page 1
ii. Total Volumetric Cost	\$0	Exhibit No. (AU_A) Page 1
3) Total Storage Costs	\$428,742	Exhibit No. (AU_A) Page 1
4) Capacity Release Credits	(\$3,500,000)	Exhibit No. (AU_A) Page 1
5) Total Gas Costs	\$85,344,081	Exhibit No. (AU_A) Page 1

	Amount	Location in Company Filing (cite)
B) Projected For New Rates		
1) Total Commodity Cost		
a) Total Demand Cost (assoc. w/ supply)	\$826,875	Exhibit No. ___ (AU_A) Page 2
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)	\$76,798,535	Exhibit No. ___ (AU_A) Page 2
f) Total Storage Cost (assoc. w/ supply)	\$622,284	Exhibit No. ___ (AU_A) Page 2
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	\$2,786,572	Exhibit No. ___ (AU_A) Page 1
ii. Total Volumetric Cost		
b) Total Domestic Cost		
i. Total Demand, Capacity, or Reservation Cost	\$17,864,700	Exhibit No. ___ (AU_A) Page 1
ii. Total Volumetric Cost		
3) Total Storage Costs	\$497,475	Exhibit No. ___ (AU_A) Page 1
4) Capacity Release Credits	(\$3,480,498)	Exhibit No. ___ (AU_A) Page 1
5) Total Gas Costs	\$95,915,943	
5) WACOG (<i>Weighted Average Cost of Gas</i>)		
A) Embedded in Rates		
1) WACOG (<i>Commodity Only</i>)	\$0.79348	Exhibit No. ___ (AU_A) Page 1
2) WACOG (<i>w/ Transportation</i>)	\$0.79348	Exhibit No. ___ (AU_A) Page 1
B) Proposed for New Rates		
1) WACOG (<i>Commodity Only</i>)	\$0.85727	Exhibit No. ___ (AU_A) Page 1
2) WACOG (<i>w/ Transportation, Storage, Other</i>)	\$0.85727	Exhibit No. ___ (AU_A) Page 1
6) Therms Sold (<i>Whole Therms</i>)	91,275,437	Exhibit No. ___ (AU_A) Page 1

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>
A) DSM Programs	
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) Bill Pay Assistance Programs	
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
C) Other Programs	
1) Payment Arrangements	

Rate Schedules 487/492

Oregon Commercial Conservation Program

General Information

- Must be a Schedule 420 or 424 customer.
- Available to owners as well as leasee's with appropriate owner consent
- Projects with less than a one-year payback will not be funded
- Funding offered up to the lesser of 50% of the incremental measurement cost or an amount equal to the present value of the Net Avoided Costs, minus the sum of two years of the customers estimated energy bill savings.
- Customers limited to receiving \$40,000 per calendar year per site for funding of qualifying projects.
- An energy audit and/or engineering study is required prior to work being started. A basic "free" audit is available from Avista.

Incentives

- Utility rebates and state tax credits may apply. (Incentives, if any, are determined on a case by case basis)

Rate Schedules 490/491

Oregon High Efficiency Equipment Rebate Program

General Information

- Must be an Oregon residential (Schedule 410) customer to qualify.
- Applies to new construction and retrofit.
- Available to new and existing customers.

Incentives

- \$200 high efficiency forced air furnace incentive on furnaces that are at least 90% efficient.
- If the above furnace is installed with a qualifying high efficiency water heater (at the same time) the furnace incentive is \$250.
- \$50 high efficiency gas water heater rebate. A 50-gallon tank must have at least a .60 energy factor and a 40-gallon at least a .62 energy factor.
- Note! The total incentive for a high efficiency heat and high efficiency hot water when installed together is \$300. (\$250 for the furnace and \$50 for the water heater)

Additional Information

- Customers who installed equipment meeting the above qualifications before 6/18/2001 qualify for incentives in place prior to that date.
 - \$100 furnace and \$25 water heater incentives if they are west of the Cascade Mountains.
 - \$25 water heater incentive if they live east of the Cascade Mountains.
- Equipment must be listed and efficiency verified in the "Consumers' Directory of Certified Efficiency Ratings" published by the Gas Appliance Manufacturers Association. (All major brands of furnaces and water heaters are listed)

Rate Schedule 486

Oregon Residential Weatherization Program

A free "Home Energy Analysis" is performed on the home to determine what can be done and how cost effective the proposed measure(s) are. Based on that analysis a cash incentive or financing is offered.

To qualify

- Must be an Oregon residential (Schedule 410) customer.
- Have gas heat as their main source of heat.
- Available for owner occupied and rentals.
- Audit must be performed prior to the start of project. (Online audit does not count)

Incentives

- Up to \$350 in incentives, exact amount based on "cost effectiveness" as calculated on the energy analysis.
- Financing with rates between 6.5% and 10.39% on qualified measures. Requires credit approval. Financing is done in-house.
- May choose the incentive or financing, cannot receive both.
- Additional incentives in the form of a tax credit or additional incentives may be available on residential rental property meeting the above requirements.

Additional Information

- NOTE: The online energy analysis does not qualify the customer for incentives.
- Program is for shell measures only (insulation, windows, doors, etc.) in the conditioned space only and does not include equipment.

Rate Schedule 493

Oregon Low Income Rate Assistance Program

The Oregon Low-Income Rate Assistance Program (LIRAP) collects revenue under Schedule 410 in order to reduce the energy cost burden among those customers least able to pay energy bills and benefit additional Avista households that would not otherwise be served by current assistance programs.

To qualify

- Must be an Oregon residential (Schedule 410) customer in the Company's Oregon service territory.
- Have gas heat as their main source of heat.
- Available for owner occupied and rentals.
- Eligibility is determined according to existing guidelines established by Federal and State standards used for the Low Income Energy Assistance Program (LIEAP).
- Additionally, customers experiencing emergencies are eligible for assistance under the Project Share guidelines.
- The amount of the assistance provided is based on household income, energy costs and housing type (single family, multifamily, etc.) and calculated using the Office of Community Development (OCD) mechanism.

RATE SCHEDULE 494
ENERGY EFFICIENCY SERVICES AND PROGRAMS OFFERED
THROUGH THE ENERGY TRUST OF OREGON

Three new energy conservation programs have been included in Avista's current DSM portfolio:

1. Efficient New Homes Program
2. Efficient New Manufactured Homes Program
3. Efficient Home Products Program

To qualify

- Must be an Oregon residential (Schedule 410) customer.

Incentives

Efficient New Homes Program

	Incentive
Natural gas home with Air Conditioning	\$553.00
Natural gas home without Air Conditioning	\$414.00

Efficient New Manufactured Homes Program

	Incentive
Whole Home	\$146.00
Duct Sealing Upgrades and Testing	\$72.00
Water Heaters Upgrades	\$25.00

Efficient Home Products Program (Clothes Washers 1.8 MEF or above)

	Incentive
Existing gas water heater and gas dryer	\$55.00
Existing gas water heater and electric dryer	\$23.00
Existing electric water heater and gas dryer	\$17.00

Additional Information

- These programs are implemented through a public purpose agreement with the Energy Trust of Oregon (ETO).



PROJECT SHARE

- Community program we sponsor to provide emergency heat assistance.
- Funds distributed by local Community Action Agencies.
- Supported by shareholders, customers and employees.
- Bill insert, educating and promoting Project Share.



LOW INCOME HOME ENERGY ASSISTANCE PROGRAM

- Federally funded program
- Each state develops own guidelines and implements own program
- National funding--over \$1.8 billion



COMFORT LEVEL BILLING

- Helps smooth out seasonal high and lows of energy bills.
- Averages annual use into equal monthly payments.
- Amount based on previous 12 months of energy usage.
- Reviewed every 3 months. May be necessary to change amount due to rate adjustment or change in usage.
- APS - Automatic Payment Service.



CARES

- Avista Representatives
 - Assist customers with special needs
 - Educate/Refer/Network
- Situations occur that interfere with ability to make payment.
- Contact us at earliest sign of difficulty.
 - Representatives available to assist with payment arrangements or help find other forms of assistance.



PAYMENT ARRANGEMENTS

- Situations occur that interfere with ability to make payment.
- Contact us at earliest sign of difficulty.
- Representatives available to assist with payment arrangements or help find other forms of assistance.

8) Purchasing/ Hedging Strategies Prepare 1-2 page summary of gas cost situation to include resources, purchasing strategy, hedging, and pipeline issues. Within the summary include:	
A) Resources embedded in current rates and an explanation of proposed resources.	
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	0
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) 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?	
C) How are your purchasing/hedging strategies different from those outlined in your last filed IRP or 2-year action plan?	

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

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

AVISTA UTILITIES

Purchased Gas Cost Filing

October 5, 2006

Exhibit No. ____ (AU-J)

Current Pipeline Tariffs

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	.00180	.01405	.03180
(Small Customer) (6)	.01225	.58521	.00180	.01405	.58701
Scheduled Overrun	.01225	.30760	.00180	.01405	.30940
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	.00180	.01405	.30940
Scheduled Overrun	.01225	.30760	.00180	.01405	.30940

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)

<u>Type of Rate</u>	<u>Currently Effective Tariff Rate (1)</u>
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.

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

	RESERVATION				DELIVERY (c) (Dth-MILE)		FUEL (d) (Dth)	
	MILEAGE (a) (Dth-MILE)	MINIMUM	NON-MILEAGE (b) (Dth)	MINIMUM	MAXIMUM	MINIMUM	MAXIMUM	MINIMUM
BASE	0.011212	0.000000	0.884028	0.000000	0.000013	0.000013	0.0050%	0.0000%
EXTENSION CHARGES								
MEDFORD								
E-1 (f)	0.296969	0.000000	---	---	0.000016	0.000016	---	---
E-2 (g) (WWP)	0.189234	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)	---	---	---	---	0.001800	0.001800	---	---

Issued by: John A Roscher, Director of Rates & Regulatory Affairs

Issued on: September 30, 2005

Effective on: November 1, 2005

TABLE OF RATES, TOLLS & CHARGES

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) \$141.42/10 ³ m ³		
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 (Apr – Oct) \$141.42/10 ³ m ³ FT-D Demand Rate per month (effective November 1, 2006) \$ 3.74/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 ³ m ³		
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 (\$/10³m³/day)</u>	
	1-5 years	9.69	
	6-10 years	8.10	
	15 years	7.26	
	20 years	6.45	
9. Rate Schedule LRS-2	LRS-2 Rate per month	\$50,000	
10. Rate Schedule LRS-3	LRS-3 Demand Rate per month (Jan – April)		\$196.32/10 ³ m ³
	LRS-3 Demand Rate per month (effective May 1, 2006)		\$129.55/10 ³ m ³
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 (Apr – Oct)		\$ 5.12/10 ³ m ³
	IT-D Rate (effective November 1, 2006)		\$ 0.1354/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>
	9005-01000-0	\$ 164.91/d	0.0 10 ³ m ³ /d
	9006-01000-0	\$ 15.05/d	1.0 10 ³ m ³ /d
15. Rate Schedule OS	<u>Schedule No.</u>	<u>Charge</u>	
	2003004522-2	\$ 83,333.00 / month	
	2003034359-2	\$ 899.00 / month	
	2004168619-1	\$ 437.50 / month	
	2006222805-2	\$ 8.00 / month	
	2006222973-1	\$ 856.00 / month	
	2006222974-1	\$ 66.00 / month	
	2006223044-1	\$ 171.00 / month	
	2006223045-1	\$ 1,576.00 / month	
	2006223046-1	\$ 294.00 / month	
	2006223047-1	\$ 68.00 / month	
	2006224148-1	\$ 92.00 / month	
	2006224149-1	\$ 536.00 / month	
	2006224337-1	\$ 66.00 / month	
	2006224475-1	\$ 111.00 / month	
	2006224607-1	\$ 3,588.00 / month	
16. Rate Schedule CO ₂	<u>Tier</u>	<u>CO₂ Rate (\$/10³m³)</u>	
	1	674.38	
	2	532.41	
	3	390.43	

3 RATES STATEMENT AND CALCULATION METHODOLOGY**3.1 Statement of Effective Rates and Charges**

	Effective Rates
FS-1 Firm Service	
Demand Rate (cents/GJ/Km/Month*)	1.2454355541
IS-1 Interruptible Service	
Commodity Rate (cents/GJ/Km*)	0.0450404091

* Total distance of pipeline is 170.7 km

Company Use Gas

Shipper's Share of Company Use Gas shall be determined pursuant to Section 10.5 of the General Terms and Conditions.

Westcoast Energy Inc.
TOLL SCHEDULES - SERVICE

APPENDIX A

DEMAND AND COMMODITY TOLLS
TRANSPORTATION SERVICE - SOUTHERN

Firm Transportation Service - Southern

Service Term	Demand Tolls \$/10 ³ m ³ /mo.			
	PNG Delivery Point	Inland Delivery Area	Huntingdon Delivery Area	Terasen Kingsvale to Huntingdon*
1 year	109.76	264.57	484.40	219.83
2 years	106.56	256.86	470.29	213.43
3 years	103.36	249.15	456.18	207.03
4 years	102.30	246.59	451.48	204.89
5 years or more	101.23	244.02	446.78	202.76

* 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 by Westcoast under the Motor Fuel Tax Act (British Columbia) allocated to Shipper for each day in the month.

AOS and Interruptible Transportation Service - Southern

Months	Commodity Tolls\$/10 ³ m ³		
	PNG Delivery Point	Inland Delivery Area	Huntingdon Delivery Area
November to March	4.811	11.597	21.234
April to October	3.608	8.698	15.925

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

Import Backhaul Service

Months	Commodity Tolls \$/10 ³ m ³		
	Inland Delivery Area	PNG Delivery Point	Compressor Station No. 2
November to March	9.637	16.423	21.234
April to October	7.227	12.317	15.925

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

Effective Date: July 10, 2006

IT RATE SCHEDULE
CURRENTLY EFFECTIVE RATES 1/

Commodity Charge (Maximum)	\$ 0.4829
(Minimum)	\$ 0.0018
Authorized Overrun Charge (Maximum)	\$ 0.4829
(Minimum)	\$ 0.0018
Annual Charge Adjustment	\$ 0.0018 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.

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

AVISTA UTILITIES

Purchased Gas Cost Filing

October 5, 2006

Exhibit No. ____ (AU-K)

Proposed Pipeline Rates

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	.43712	-	.00000	.43712
15 Year Evergreen Exp.	.00000	.41621	-	.00000	.41621
25 Year Evergreen Exp.	.00000	.39748	-	.00000	.39748
Volumetric					
(Large Customer)					
System-Wide	.00756	.00756	.00180	.00936	.00936
15 Year Evergreen Exp.	.00369	.00369	.00180	.00549	.00549
25 Year Evergreen Exp.	.00369	.00369	.00180	.00549	.00549
(Small Customer) (6)	.00756	.88180	.00180	.00936	.88360
Scheduled Overrun	.00756	.44468	.00180	.00936	.44648
Rate Schedule TF-2 (4) (5)					
Reservation	.00000	.43712	-	.00000	.43712
Volumetric	.00756	.00756	-	.00756	.00756
Scheduled Daily Overrun	.00756	.44468	-	.00756	.44468
Annual Overrun	.00756	.44468	-	.00756	.44468
Rate Schedule TI-1					
Volumetric (7)	.00756	.44468	.00180	.00936	.44648
Scheduled Overrun	.00756	.44468	.00180	.00936	.44648

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	0.01634
Capacity Demand Charge	0.00000	0.00060
Volumetric Bid Rates		
Withdrawal Charge	0.00000	0.01634
Storage Charge	0.00000	0.00060
Rate Schedule SGS-2I		
Volumetric	0.00000	0.00120

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)	0.03154
Capacity Charge (2)	0.00403
Liquefaction	0.64110
Vaporization	0.04184

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.

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)		MAXIMUM	MINIMUM	MAXIMUM	MINIMUM
	MAXIMUM	MINIMUM	MAXIMUM	MINIMUM	MAXIMUM	MINIMUM	MAXIMUM	MINIMUM
BASE	0.000616	0.000000	0.049918	0.000000	0.000037	0.000037	0.0050%	0.0000%
STF(e)	0.001540	0.000000	0.124795	0.000000	0.000037	0.000037	0.0050%	0.0000%
EXTENSION CHARGES								
MEDFORD								
E-1(f)	0.003917	0.000000	0.014747	0.000000	0.000024	0.000024	---	---
E-2(g) (WWP)	0.189234	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)	0.001878	0.000000	0.003652	0.000000	0.000000	0.000000	---	---
OVERRUN CHARGE(j)	---	---	---	---	---	---	---	---
SURCHARGES								
ACA (k)	---	---	---	---	0.001800	0.001800	---	---

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

AVISTA UTILITIES

Purchased Gas Cost Filing

October 5, 2006

Exhibit No. ____ (AU-L)

Press Release



Contact:

Media: Catherine Markson (509) 495-2916, catherine.markson@avistacorp.com

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

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

Avista Scales Back Original Rate Requests in Response to Lower Natural Gas Prices

SPOKANE, Wash. – Oct. 6, 2006, 5:30 a.m. PDT: Avista (NYSE:AVA) today filed a revised purchased gas cost adjustment (PGA) with the Oregon Public Utility Commission (OPUC) that could result in an average natural gas price increase of 6.9 percent or \$8.7 million, which is almost 2 percentage points lower than the company's original filing of 8.8 percent one month ago.

Wholesale natural gas prices have fallen since Avista's original filing allowing the company to reduce its estimated gas costs for this coming winter. The price for natural gas is extremely volatile and fluctuates daily based on supply and demand. Because of this volatility, Avista purchases natural gas at fixed prices throughout the year for future delivery to customers.

If approved by the OPUC, a residential customer using an average of 52 therms of natural gas per month can expect to see a \$5.31 increase per month for a total monthly bill of \$75.06. Avista's filing proposes an effective date of Nov. 1, 2006.

Avista encourages the wise and efficient use of energy. For information and tips on Avista's energy assistance programs, conservation tips and bill payment plans, visit www.avistautilities.com, or call Avista at (800) 227-9187.

Avista 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 339,000 electric and 298,000 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.

Avista Corp. and the Avista Corp. logo are trademarks of Avista Corporation.

This news release contains forward-looking statements, including statements regarding expected rates, costs and demand for natural gas. Such statements are subject to a variety of risks, uncertainties and other factors, most of which are beyond the company's control, and many of which could have a significant impact on the company's operations, results

of operations and financial condition, and could cause actual results to differ materially from those anticipated.

For a further discussion of these factors and other important factors, please refer to the company's Annual Report on Form 10-K for the year ended Dec. 31, 2005 and Quarterly Report on Form 10-Q for the quarter ended June 30, 2006. The forward-looking statements contained in this news release speak only as of the date hereof. The company undertakes no obligation to update any forward-looking statement or statements to reflect events or circumstances that occur after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all of such factors, nor can it assess the impact of each such factor on the company's business or the extent to which any such factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

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BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

AVISTA UTILITIES

Purchased Gas Cost Filing

October 5, 2006

Exhibit No. ____ (AU-M)

Original Customer Notice

Avista Proposes 8.8% Increase in natural gas prices effective Nov. 1

On Aug. 31, Avista filed with the Oregon Public Utility Commission (OPUC) a request to increase natural gas rates by an average of 8.8% to be effective Nov. 1, 2006. This request is a purchased gas cost adjustment (PGA) that 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 Utilities makes no additional profits from these rate changes.

Important Notice for
Oregon Natural Gas Customers

Most of the proposed increase reflects a continued increase in the wholesale price of natural gas during the past year. The remaining portion of the increase reflects a substantial increase in the rates charged by the two interstate pipeline companies that deliver gas to Avista's distribution system. The price for natural gas fluctuates daily based on supply and demand, similar to the price for crude oil. In fact, the price for natural gas has followed a similar upward trend as oil prices over the past few years. While the price of natural gas has fallen from the post-hurricane levels during late-2005, the average cost of gas for this next year is significantly higher than the average cost of gas during this past year.

Avista has a diversified natural gas purchasing program to help stabilize gas prices to customers. The program includes purchasing gas at fixed prices throughout the year for future delivery. This

[Continued on reverse.]



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[Continued on reverse.]



practice reduces the amount of gas that must be purchased during the winter when prices can be more volatile. However, Avista has no control over the market price for gas which has continued to rise, creating the need for this increase.

If the proposed increase is approved by the OPUC, a residential customer using an average of 52 therms per month can expect to see an average increase of \$6.64 per month, or about 8.8%. The bill for 52 therms would increase from a present amount of \$75.06 to \$81.70. Commercial and industrial customers served under Schedules 420 and 424 can expect to see an average increase of 9.9% and 10.4% respectively. The higher increase percentages for larger 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 on our Web site.

Ways to save on your energy bill

Take time to check to ensure 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 residence will keep the heat from escaping and can save in heating costs. Avista has partial rebate programs for the cost of additional insulation and other weatherization measures.

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 and rebates, energy assistance programs, and bill payment plans, visit our web-site at www.avistautilities.com or call us at (800) 227-9187.

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**A PUBLIC NOTICE
TO OREGON GAS CUSTOMERS OF
AVISTA UTILITIES**

On 10/5/06 Avista Utilities withdrew and re-filed its annual Purchase Gas Adjustment (PGA) filing to reflect changes in the cost of gas purchased by Avista to serve customers. This revised filing requests an overall annual revenue increase of about \$8.7 million or approximately 6.9%.

If approved by the OPUC the following rate increases are expected to become effective on 11/1/06.

Schedule 410, Residential	7.07%
Schedule 420, General	7.91%
Schedule 424, Large General	8.34%
Schedule 440, Interruptible	0.46%
Schedule 444, Seasonal	8.45%

If approved the average residential customer using 52 therms per month will see a monthly increase of about \$5.31, from a present average monthly bill of \$75.06 to \$80.37 (individual increases will vary based on monthly usage).

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

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

AVISTA UTILITIES

Purchased Gas Cost Filing

October 5, 2006

Exhibit No. ____ (AU-N)

Public Notice Posted in Company Offices

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

AVISTA UTILITIES

Purchased Gas Cost Filing

October 5, 2006

Exhibit No. ___ (AU-0)

Documentation Related to Index/Spot Prices

DOCUMENTATION RELATED TO INDEX/SPOT PRICES

Pricing on the unhedged portion of load was based upon pricing estimates in the futures market as of September 28, 2006. Using the Company's SENDOUT® model, Avista estimated the volumes associated with its various supply basins and applied those basin-specific price forecasts to the basin-specific volumes. This pricing approach is reasonable as it is based on recent published data reflecting current market prices.

Fundamentally-derived price forecasts are relevant and useful in that they provide vastly differing perspectives on the longer-term impacts of supply and demand factors, both regionally and globally. Unfortunately, fundamentally-derived forecasts often do not reflect the immediate realities of the market, particularly market reactions to unanticipated events. Price forecast providers often have a set schedule for their updates, and the forecasts do not respond to near-term changes in the market. Forward market prices, which reflect actual prices that can be transacted, do adjust based upon events within the energy complex. Therefore, when assessing the potential cost of unhedged loads, Avista relies on the most current and relevant market assessment of what the price could actually be in that month. Avista compares these market assessments against natural gas forecasts of demand, supply, and price and holds open the option to make adjustments in its projection of future spot prices included in the PGA filing based on these forecasts.

Avista reviews price forecasts continuously, including market-based forecasts and fundamentally-derived forecasts, and all of those price forecasts help shape the overall structure of the procurement plan and related changes to that plan. However, in the near term, the Company believes the selection of forward price estimates in this filing is reasonable given the points described above.

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

AVISTA UTILITIES

Purchased Gas Cost Filing

October 5, 2006

Exhibit No. ____ (AU-P)

Company's Hedging Plan

Avista's Hedging Plan

The Company's procurement plan has been developed based upon a number of conditions and circumstances specific to Avista Utilities' Oregon customers. These factors include, but are not limited to, the level of storage available for Oregon customers, the PGA regulatory mechanism, and Company-specific infrastructure access that restricts the Company's ability to purchase supplies from certain regions. Based on those factors, the Company believes its procurement plan is appropriate. For the 2006/2007 gas operating year, several components of the procurement plan were similar to the 2005/2006 plan, including:

- **Level of hedging:** In the 2005/2006 gas operating year, Avista hedged approximately 93% of its projected normalized load. That level was reduced to approximately 90% of its projected normalized load for the 2006/2007 gas operating year. This level of hedging was selected based upon the Company-specific factors listed above.
- **Disciplined approach to hedging:** Avista continued the use of a disciplined approach to procuring natural gas. The purpose of this discipline is to avoid "chasing the market" or allowing emotions to dictate timing or levels of transactions. The hedge windows, or parcels of natural gas to be purchased, are established with the goal of minimizing price volatility. This approach acknowledges that the Company cannot accurately predict future natural gas prices; however, the procurement plan allows for deviations to the plan if the Company finds compelling evidence to do so.
- **Diversified approach to hedging:** The procurement plan is diversified in a number of ways – the transaction windows overlap and are spread from February through August, the physical supplies are sourced among three major regions, and the pricing is spread among one year, seasonal, monthly, and index-based contractual pricing.

Although the Company's previous procurement plan had the features listed above, there were several enhancements made to the procurement plan that differentiated the 2006/2007 procurement plan from the 2005/2006 plan. The enhancements were made as a result of an internal review of the hedging components, discussions with Technical Advisory Committee members during the Company's Integrated Resource Planning efforts, and feedback from OPUC Staff on the existing plan. These plan enhancements include:

- **Incorporation of a longer-term component** of the hedge plan, further diversifying the portfolio with three year contracts;
- **Greater diversification of the "hedge windows,"** such that the Company removed the concentration of transactions immediately prior to the annual PGA filing; and,
- **Adjustments to the way price targets were established** in order to allow additional opportunity to capture the benefits of a declining market.

Avista communicated the specific details of the enhanced procurement plan with OPUC Staff, both at the beginning of the hedging season and during the hedging season. Avista

provided Staff with detailed documentation of the hedge windows, including the level of hedging, the volumes anticipated within each window, and the structure of the hedge windows.

With the context of the existing and enhanced components of the procurement plan described above, Avista executed its hedges. As noted above, Avista maintains the flexibility to deviate from the plan. In order to make the decision to deviate from the plan, there must be persuasive evidence or market information leading the Company to take a position that prices have an asymmetrical bias in either direction. In reviewing the market conditions and projections throughout the procurement period, Avista intentionally chose to maintain the procurement plan. Those market factors included, but were not limited to, the following:

- **Not just the fear, but projections related to heightened hurricane activity in 2006:** The market prices reflected fears that the oil and gas-producing region would experience another Katrina-like event, and there were multiple forecasts for increased intensity of hurricanes and an above average likelihood that the hurricanes would make landfall in the key gulf producing area.
- **The ongoing relationship between oil prices and natural gas prices:** During the procurement season, oil prices ranged from \$60/barrel early in the season to as high as \$78/barrel late in the season. Even today, as oil prices trade back around \$60/barrel, oil producers (and natural gas producers as well) are threatening production cutbacks to push prices back up. Avista believes the price correlation is real, and therefore, there remains a concern that natural gas prices will continue to be strengthened by the oil prices.
- **The incremental source of electricity generation is natural gas:** Short- and long-term demand projections indicate the largest growth sector of natural gas demand is from electricity generation. These projections suggested, and continue to suggest, any declining residential, commercial, or industrial use of natural gas will be more than offset by generation consumption, thereby increasing demand.
- **Storage-related issues:** Storage levels across the United States remained at historically high levels throughout the summer. However, the heat waves of the summer, and the resulting net withdrawals of gas from storage during two weeks, showed how fragile that storage surplus could be.

The Company's procurement activities must be reviewed in the context of all of the variables and factors that were described above. Given the overall context, Avista believes its procurement plan, including the level of hedging and the timing of the hedges, is appropriate.