

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



Corp.

September 16, 2005

Advice No. 05-03-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 filing submitted August 15, 2005 as Advice No. 05-03-G. As a replacement of that filing, Avista submits an original and fifteen (15) copies of the following listed tariff sheets applicable to its Oregon natural gas operations along with three (3) copies of the workpapers. It is requested that these sheets become effective with less than statutory notice on October 1, 2005.

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

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

This filing, like the original, is a Purchase Gas Adjustment (PGA) to adjust Avista Utilities' tariff schedules to reflect the projected cost of gas pursuant to Tariff Schedule 462, Purchased Gas Cost Adjustment Provision. Schedule 462 allows the Company to adjust the rates within its service schedules for changes in: 1) the estimated purchased gas costs for the forthcoming year, and 2) the amortization rate(s) pertaining to the PGA balancing account, as well as other deferred accounts related to costs associated with DSM programs.

This re-filing requests an overall revenue increase of approximately \$23.2 million annually, or 22.5%. The original filing requested an overall revenue increase of \$18.9 million annually, or about 18.4%. This filing corrects the weighted average price of gas (WACOG) calculated in the original filing by including a provision for pipeline fuel charges on Canadian gas purchases (see Exhibit No. __ (AU-A), Page 2 of 14). In addition, as a result of discussions between the Company and Commission staff, the amortization rate for the PGA account has been increased to recover the balance over twenty-four months instead of thirty months as proposed in the original filing (see Exhibit No. __ (AU-J), Page 1 of 4). The increase in the amortization rate to recover the PGA deferral account over twenty-four months does not exceed 3% of gross revenues from the prior year (see Exhibit No. __ (AU-L)).

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With this filing the Company proposes to implement the following increases (see Exhibit No. __ (AU-C) Page 1 of 3):

Schedule 410, Residential	21.92%
Schedule 420, General	25.09%
Schedule 424, Large General	26.81%
Schedule 440, Interruptible	31.50%
Schedule 444, Seasonal	27.30%

If the proposed rates are approved as filed, the average residential customer using an average of 53 therms per month will see a monthly increase of \$13.70.

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

Included with the filing is a request for Less Than Statutory Notice. This notice requests an effective date of October 1, 2005 for the proposed rates.

Please direct any questions regarding this filing to Brian Hirschorn at (509) 495-4723 or Craig Bertholf at (509) 495-4124.

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, refilling of application to incorporate the tracking rates into the appropriate schedule upon the parties listed below by mailing a copy thereof, postage prepaid.

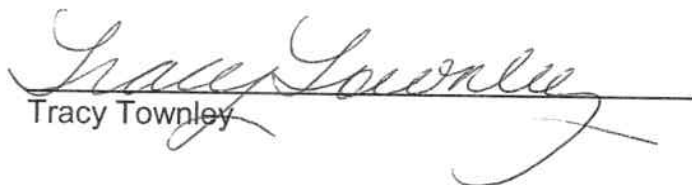
Mr. Edward Finklea
Cable Huston Benedict
Haagensen & Lloyd, LLP
1001 SW 5th, Suite 2000
Portland, OR 97204-1136

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

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

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

Dated at Spokane, Washington this 16th day of September 2005.


Tracy Townley

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
(UTILITY COMPANY)

)

)

NO. 05-3-G Supplemental

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)
Annual Purchased Gas Adjustment Filing (PGA) and request for reauthorization of certain deferral accounts

2. APPLICANT DESIRES TO CHANGE THE SCHEDULE(S) NOW ON FILE KNOWN AND DESIGNATED AS: (INSERT SCHEDULE REFERENCE BY NUMBER, PAGE, AND ITEM)

- Supplemental Ninth Revision Tariff Sheet 410, Residential Natural Gas Service
- Supplemental Ninth Revision Tariff Sheet 420, General Natural Gas Service
- Supplemental Ninth Revision Tariff Sheet 424, Large General and Industrial Natural Gas Service
- Supplemental Eighth Revision Tariff Sheet 430, Emergency Institutional Service
- Supplemental Tenth Revision Tariff Sheet 440, Interruptible Natural Gas Service for Large Commercial and Industrial
- Supplemental Ninth Revision Tariff Sheet 444, Seasonal Natural Gas Service
- Supplemental Fifth Revision Tariff Sheet 455, Firm Transportation of Customer-Owned Natural Gas
- Supplemental Seventh Revision Tariff Sheet 456, Interruptible Transportation of Customer-Owned Natural Gas
- Supplemental Sixth Revision Tariff Sheet 459, Firm Natural Gas Standby Sales Service
- Original Revision Tariff Sheet 462A, Purchased Gas cost Adjustment Provision
- Original Revision Tariff Sheet 462B, Purchased Gas cost Adjustment Provision

3. THE PROPOSED SCHEDULE(S) SHALL BE AS FOLLOWS: (INSERT SCHEDULE REFERENCE BY NUMBER, PAGE AND ITEM)

- Supplemental Tenth Revision Tariff Sheet 410, Residential Natural Gas Service
- Supplemental Tenth Revision Tariff Sheet 420, General Natural Gas Service
- Supplemental Tenth Revision Tariff Sheet 424, Large General and Industrial Natural Gas Service
- Supplemental Ninth Revision Tariff Sheet 430, Emergency Institutional Service
- Supplemental Eleventh Revision Tariff Sheet 440, Interruptible Natural Gas Service for Large Commercial and Industrial
- Supplemental Tenth Revision Tariff Sheet 444, Seasonal Natural Gas Service
- Supplemental Sixth Revision Tariff Sheet 455, Firm Transportation of Customer-Owned Natural Gas
- Supplemental Eighth Revision Tariff Sheet 456, Interruptible Transportation of Customer-Owned Natural Gas
- Supplemental Seventh Revision Tariff Sheet 459, Firm Natural Gas Standby Sales Service
- Supplemental First Revision Tariff Sheet 462A, Purchased Gas cost Adjustment Provision
- Supplemental First Revision Tariff Sheet 462B, Purchased Gas cost Adjustment Provision

4. REASON FOR REQUESTING A WAIVER OF STATUTORY NOTICE:

The Company is re-filing the annual PGA request to correct the filed WACOG and change the amortization period for the PGA account from thirty months to twenty-four months while still maintaining the original effective date. The overall effect is to increase the estimated annual increase from \$18.9 million (18.4%) to \$23.2 million (22.5%).

5. REQUESTED EFFECTIVE DATE OF THE NEW SCHEDULE (S) OR CHANGES (S): October 1, 2005

6. AUTHORIZED SIGNATURE <i>Kelly Woodward</i>	TITLE Vice President, State and Federal Regulation	DATE 9/15/05
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PUC USE ONLY

<input checked="" type="checkbox"/> APPROVED <input checked="" type="checkbox"/> 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:

\$1.34531

(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.

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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:	\$1.26155
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
dba Avista Utilities

SCHEDULE 424

LARGE GENERAL AND INDUSTRIAL NATURAL GAS SERVICE - OREGON

APPLICABILITY:

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

TERRITORY:

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

THERM:

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

RATES:

	Per Meter <u>Per Month</u>
Customer Charge:	\$65.00
Commodity Charge Per Therm:	\$1.20513

Minimum Charge:

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

SPECIAL CONDITIONS:

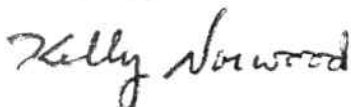
1. This service is available only where adequate capacity exists in the Company's system.
2. As a condition precedent to service under this schedule an executed Agreement with the Company is required specifying quantity requirements and other terms and conditions as hereinafter provided.
3. The term of service shall be for a period of one year when service is first rendered and year by year thereafter, continuing until cancelled by ninety days prior written notice given by either party to the other.

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AVISTA CORPORATION
dba Avista Utilities

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
	<u>Per Month</u>
Commodity Charge Per Therm:	\$1.26125
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

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AVISTA CORPORATION
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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: \$1.01367 (I)

Annual Minimum Charge:

Each Customer shall be subject to an Annual Minimum Charge if their gas usage during the prior year does not equal or exceed 225,000 therms. Such Annual Minimum Charge shall be determined by subtracting their actual usage for a twelve-month period from 225,000 therms multiplied by 11.285 cents per therm. (R)

SPECIAL CONDITIONS:

1. This service is available only where capacity in excess of firm sales and firm transportation requirements exists in the Company's system.
2. Service under this schedule is not available to any "essential agricultural user" or "high priority user" (as defined in Section 281.203(a), Title 18, Code of Federal Regulations), who has requested protection from curtailment, as contemplated by Section 401 of the NGPA (Public Law 95-261). An "essential agricultural" or "high-priority" user receiving service

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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:

\$1.20487

(I)

Minimum Charge:

\$7,935.26 per season.

(I)

SPECIAL CONDITIONS:

1. A contract will be required for a period of one (1) year when service is first rendered and year by year thereafter. Service will be subject to termination at the end of any contract year in the event the supply of gas may become limited to other firm gas customers.
2. The Company, when operating its propane-air peak shaving facilities, falls under the jurisdiction of the Federal Energy Agency with respect to the Company's allocation of propane for such purposes as directed

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Kelly Norwood

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 455

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

APPLICABILITY:

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

TERRITORY:

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

THERM:

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

RATES:

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

Minimum Charge:

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

Gross Revenue Fee Reimbursement:

The total of all charges invoiced by the Company shall be subject to a Gross Revenue Fee reimbursement charge of 2.2602 percent to cover state utility tax and other governmental levies imposed upon the Company, as those fees and levies may be in effect from time to time.

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By Kelly Norwood

, Vice President, State & Federal Regulation

Kelly Norwood

AVISTA CORPORATION
dba Avista Utilities

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	(R)
Volumetric Charge Per Therm:		
First 10,000	\$.12900	(R)
Next 20,000	\$.07757	(R)
Next 20,000	\$.06373	(R)
Next 200,000	\$.04984	(R)
All Additional	\$.02520	(R)

Minimum Charge:

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

Gross Revenue Fee Reimbursement:

The total of all charges invoiced by the Company shall be subject to a Gross Revenue Fee reimbursement charge of 2.2602 percent to cover governmental fees and levies imposed upon the Company, as those fees and levies may be in effect from time to time.

(continued)

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Kelly Norwood,

Vice President, State & Federal Regulation

Kelly Norwood

AVISTA CORPORATION
dba Avista Utilities

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 <u>Per Month</u>
Customer Charge:	\$65.00
Demand Charge Per Therm:	\$.84437

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

Commodity Charge:

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

Minimum Charge:

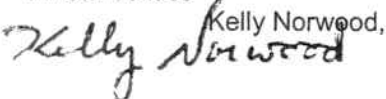
The minimum monthly charge shall consist of the sum of the customer and demand charges.

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(1)

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 462 (continued)

PURCHASED GAS COST ADJUSTMENT PROVISION – OREGON

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

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

- a. "Normalized Purchases" means last year's (July 1 – June 30) actual sales, "weather-normalized", plus a percentage for "distribution system unaccounted for gas."
- b. "Weather-normalized" means normalizing assumptions set at the utility's last rate case.
- c. "Distribution system unaccounted for gas" means the 5-year average of actual unaccounted for gas, not to exceed 2%. In accordance with PUC Order No. 05-852, this year's amount will be Avista's best estimate of actual loss, not to exceed 2%; with subsequent years calculated to comply with the Order requirements.
- d. "Adjusted contract prices" means contract prices that are adjusted by each associated Canadian pipeline's published (closest to August 1) fuel-in-kind and line loss amount provided for by tariff, and by each associated U.S. pipeline's tariffed rate.

The Estimated Monthly WACOG per therm is as follows:

October	\$.77101
November	\$.77102
December	\$.77986
January	\$.78082
February	\$.78318
March	\$.77773
April	\$.77854
May	\$.75799
June	\$.78416
July	\$.77384
August	\$.77215
September	\$.75763

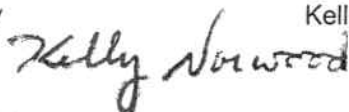
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Kelly O. Norwood, VP, State & Federal Regulation

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SCHEDULE 462 (continued)
PURCHASED GAS COST ADJUSTMENT PROVISION - OREGON

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

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

\$.15457

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

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

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

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

14. Gas Storage Facilities (Jackson Prairie and Plymouth): The cost of natural gas for injections shall be the actual cost of purchasing and transporting the gas to the Storage Facility. Withdrawals of natural gas shall be valued at the weighted average cost of gas in the facility. Only the cost of natural gas withdrawn from Storage Facilities will be included in the Actual Commodity Cost, as defined herein.

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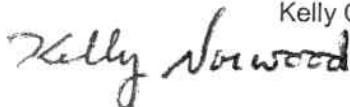
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(1)