

BEFORE THE WASHINGTON UTILITIES &  
TRANSPORTATION COMMISSION

DOCKET NO. UG-99 \_\_\_\_\_

Exhibit No. 64, Proposed Gas Rate Spread & Rate Design Information  
Witness: Brian J. Hirschorn, Avista Corp.

WUTC

DOCKET NO. UE-091606

EXHIBIT # 496

ADMIT

W/D

REJECT

Avista Corp.  
Proposed Revenue Increase by Schedule  
State of Washington - Gas  
12 Months Ended December 31, 1998  
(000s of Dollars)

Line No.	Type of Service (a)	Schedule Number (b)	Revenue Under Present Rates (c)	Increase (Decrease) (d)	Revenue Under Proposed Rates (e)	Therms (000s) (f)	Increase (Decrease) Per Therm (g)	Percent Increase (h)
1	General Service	101	\$51,441	\$3,833	\$55,274	115,059	3.33¢	7.5%
2	Large General Service	111	\$17,240	\$760	\$18,000	50,781	1.50¢	4.4%
3	Large General Service - High Annual Load Factor	121	\$2,772	\$128	\$2,900	9,590	1.33¢	4.6%
4	Interruptible Service	131	\$182	\$0	\$182	644	0.00¢	0.0%
5	Transportation Service	146	\$2,078	\$178	\$2,256	43,902	0.41¢	8.6%
6	High Volume Transportation Service	148	\$1,323	\$0	\$1,323	45,341	0.00¢	0.0%
7	Total		\$75,036	\$4,899	\$79,935	265,317	1.85¢	6.5%

**Avista Corp.**  
**Rates of Return by Schedule**  
**State of Washington - Gas**  
**12 Months Ended December 31, 1998**

Line No.	Schedule	Schedule No.	Pro Forma Revenue At Present Rates		Pro Forma Revenue At Proposed Rates	
			Rate of Return	Relative Rate of Return	Rate of Return	Relative Rate of Return
	(a)	(b)	(c)	(d)	(e)	(f)
1	General Service	101	7.07%	0.95	9.76%	0.98
2	Large General Service	111	8.55%	1.15	10.74%	1.08
3	Large General Service - High Annual Load Facto	121	5.71%	0.77	8.81%	0.89
4	Interruptible Service	131	11.67%	1.57	11.67%	1.18
5	Transportation Service	146	8.83%	1.19	10.77%	1.08
6	High Volume Transportation Service	148	8.50%	1.15	8.50%	0.86
7	Total		7.42%	1.00	9.93%	1.00

**Avista Corp.**  
**State of Washington - Gas**  
**Comparison of Washington Gas Utilities - Rates & Margins**

Line No.

**Puget Sound Energy**

1	Basic/Customer Charge	\$	4.46	
2	Rate per Therm	\$	0.50118	
3	<b>Bill for 80 Therms per Month</b>			<b>\$ 44.55</b>
4	Wgt. Avg. Rate per Therm			\$0.55693
5	Less: WACOG included in Rate			<u>\$0.26282</u>
6	<b>Present Avg. Margin per Therm</b>			<b>\$0.29411</b>

**Cascade Natural Gas**

7	Basic/Customer Charge	\$	4.00	
8	Rate per Therm	\$	0.55252	
9	<b>Bill for 80 Therms per Month</b>			<b>\$ 48.20</b>
10	Wgt. Avg. Rate per Therm			\$0.60252
11	Less: WACOG included in Rate			<u>\$0.32733</u>
12	<b>Present Avg. Margin per Therm</b>			<b>\$0.27519</b>

**Northwest Natural Gas**

13	Basic/Customer Charge	\$	4.00	
14	1st 40 Therms per Month	\$	0.56767	
15	Over 40 Therms per Month	\$	0.51983	
16	<b>Bill for 80 Therms per Month</b>			<b>\$ 45.59</b>
17	Wgt. Avg. Rate per Therm			\$0.56983
18	Less: WACOG included in Rate			<u>\$0.27192</u>
19	<b>Present Avg. Margin per Therm</b>			<b>\$0.29791</b>

**Avista - Present Rates**

20	Basic/Customer Charge	\$	4.00	
21	Rate per Therm	\$	0.40052	
22	<b>Bill for 80 Therms per Month</b>			<b>\$ 36.04</b>
23	Wgt. Avg. Rate per Therm			\$0.45052
24	Less: WACOG included in Rate			<u>\$0.22290</u>
25	<b>Present Avg. Margin per Therm</b>			<b>\$0.22762</b>

**Avista - Proposed Rates**

26	Basic/Customer Charge	\$	5.00	
27	Rate per Therm	\$	0.42219	
28	<b>Bill for 80 Therms per Month</b>			<b>\$ 38.78</b>
29	Wgt. Avg. Rate per Therm			\$0.48469
30	Less: WACOG included in Rate			<u>\$0.22290</u>
31	<b>Present Avg. Margin per Therm</b>			<b>\$0.26179</b>

Note: Rates exclude temporary adjustments

**Avista Corp.  
State of Washington - Gas  
Comparison of Present & Proposed Gas Rates**

Present Rates	Proposed Rates
<b>General Service Schedule 101</b>	
\$4.00 Basic Charge	\$5.00 Basic Charge
All Therms - 40.052¢/Therm	All Therms - 42.219¢/Therm
<b>Large General Service Schedule 111</b>	
1st 200 Therms - 41.992¢/Therm	1st 200 Therms - 44.720¢/Therm
Next 800 Therms - 36.217¢/Therm	Next 800 Therms - 37.537¢/Therm
Over 1,000 Therms - 30.782¢/Therm	Over 1,000 Therms - 32.102¢/Therm
Minimum - \$83.98/Month	Minimum - \$89.44/Month
<b>Large General Service Schedule 121</b>	
1st 500 Therms - 40.927¢/Therm	1st 500 Therms - 43.220¢/Therm
Next 500 Therms - 36.292¢/Therm	Next 500 Therms - 37.537¢/Therm
Next 9,000 Therms - 30.857¢/Therm	Next 9,000 Therms - 32.102¢/Therm
Over 10,000 Therms - 27.237¢/Therm	Over 10,000 Therms - 28.743¢/Therm
Minimum - \$204.64/Month	Minimum - \$216.10/Month
<b>Interruptible Service Schedule 131</b>	
All Therms - 28.202¢/Therm	All Therms - 28.202¢/Therm
Annual Minimum - \$70,505	Annual Minimum - \$70,505
<b>Transportation Service Schedule 146</b>	
\$164.88 Basic Charge	\$200.00 Basic Charge
1st 500,000 Therms - 4.839¢/Therm	1st 10,000 Therms - 8.950¢/Therm
Over 500,000 Therms - 3.445¢/Therm	Next 40,000 Therms - 6.400¢/Therm
	Next 450,000 Therms - 4.300¢/Therm
	Over 500,000 Therms - 3.500¢/Therm
<b>High Volume Transportation Service Schedule 148</b>	
\$200.00 Basic Charge	\$200.00 Basic Charge
All Therms - not less than 2.091¢ per therm but not greater than 5.025¢ per therm	All Therms - not less than 2.091¢ per therm but not greater than 5.025¢ per therm

Note: All rates exclude temporary rate adjustment schedules

**Avista Corp.**  
**Cost of Services, Meters and Billing for General Service Schedule 101**  
**State of Washington - Gas**  
**12 Months Ended December 31, 1998**

Line No.		<u>Total Costs</u>	<u>Average Customers</u>	<u>Monthly Cost per Customer</u>
1	Services	\$ 8,095,676	111,622	\$ 6.04
2	Meters	\$ 2,947,166	111,622	\$ 2.20
3	Meter Reading	\$ 745,820	111,622	\$ 0.56
4	Billing	<u>\$ 1,827,726</u>	111,622	<u>\$ 1.36</u>
5	Total	\$ 13,616,388		\$ 10.17

**Avista Corp.**  
**State of Washington - Gas**  
**Estimated Increase in Total Gas Bill for Transportation**  
**Customers under Proposed Schedule 146 Rates**

<u>Line No.</u>	<u>Customer</u>	<u>Estimated % Increase/ Decrease in Total Gas Bill(1)</u>
1	Acme Material	8.1%
2	American Linen	7.5%
3	Baker Commodities	7.6%
4	Boeing Co	6.0%
5	Deaconess Medical Ctr	2.6%
6	Eastern State Hospital	6.3%
7	Eastern Washington Univ	0.9%
8	Fairchild A.F.B.	-0.4%
9	Holy Family Hospital	7.3%
10	Inland Asphalt	7.1%
11	Inland Empire Paper	1.5%
12	Interstate Brands	8.9%
13	Koch Materials Co	3.1%
14	Lakeland Village	5.0%
15	Lamb Weston	5.7%
16	Lane Mt Silica	2.9%
17	Northwest Alloys, Inc	-0.4%
18	Sacred Heart Medical Ctr	0.8%
19	Shamrock Paving	6.7%
20	Spokane Comm. College	5.8%
21	Spokane Falls CC	8.0%
22	Spokane Steel	8.5%
23	Stimson Lumber	3.1%
24	Travis Pattern	2.7%
25	Veterans Adm Hospital	7.6%
26	Washington Potato	-0.2%
27	WSU	-0.8%
28	Western Asphalt	8.3%
29	Whitworth College	7.4%

(1) Total gas bill includes commodity and pipeline transportation totaling \$0.25/therm.