BEFORE THE WASHINGTON UTILITIES & TRANSPORTATION COMMISSION

DOCKET NO. UG-021584

REBUTTAL TESTIMONY OF MICHAEL D'ARIENZO (MED-2T)

REPRESENTING AVISTA CORPORATION

Q. Please state your name, employer and business address.

A. My name is Michael D'Arienzo. I am employed as Vice President of Natural Gas Marketing and Trading by Avista Energy, Inc. at 201 W. North River Drive, Suite 610, Spokane, Washington

Q. Have you previously submitted testimony in this Docket?

A. Yes. I have provided prepared direct testimony marked for identification as (MED-1T).

Q. What is the scope of your testimony in this proceeding?

A. In response to Staff and Public Counsel's testimony I will clarify how the Benchmark Mechanism is managed as part of Avista Energy's business. I will also respond to assertions made by Staff and Public Counsel with respect to the benefits to customers and auditability of the mechanism, risks and rewards for Avista Energy, as well as clarify where Staff and Public Counsel's analysis do not reflect the actual value and daily operation of the Mechanism.

Q. Do you agree with the WUTC Staff that customers would receive more benefits if the Benchmark Mechanism was moved back into the Utility?

A. No. I believe that the Staff and Public Counsel have significantly understated the value Avista Energy brings to the Utility's customers and have not recognized or understood the risks borne by Avista Energy through the Benchmark Mechanism. In reviewing the testimony submitted by Mr. Parvinen and Ms. Elder we were able to identify several areas where in their analysis they were either using inconsistent data or incorrect assumptions with respect to the natural gas market.

Q. Can you provide examples where the Staff or Public Counsel have errors in their analysis?

A. Yes. With respect to recovery on unutilized pipeline capacity Mr. Parvinen and Ms. Elder propose that Avista Energy has little if any risk with respect to recovery of transportation costs. I disagree with their conclusion. Today's natural gas market is significantly different than two years ago and the rules and regulation's associated with capacity release have been modified which makes it more difficult to recover costs. What they both do not seem to appreciate is that the market sets the value of the capacity based on what is traded at the receipt and delivery points of the transportation corridors. As long as there is a positive differential between the two points, then the transport has value. That value is determined by taking the difference between the two points, minus the variable cost to move the natural gas. The market is extremely efficient and will not pay above that level, which is contrary to what Mr. Parvinen and Ms. Elder propose.

In fact when reviewing Ms. Elder's testimony pages 12-14 she makes several errors in her analysis with respect to capacity release. First, in her calculation of the revenues on recovery of capacity she proposes that Avista Energy should be able to achieve $10 million annually on capacity releases. In order to recover a $10 million level, Avista Energy would need to have the ability to release the excess capacity at $0.69 per MMBtu. Unfortunately, this is impossible due to FERC guidelines, which state that transportation cannot be released above full rate, which is $0.27 per MMBtu. When you take into consideration that Avista Utilities has excess transportation at times when all the other Pacific Northwest utilities are also in excess, it is very unlikely that Avista Energy could recover the full rate. Moreover, due to the Pacific Northwest utilities' poor annual load

factors (approximately 35%), which is due to their heating loads dropping off in the summer, Ms. Elder proposes that a 30% discount should be made to adjust for poor market conditions. This adjustment for poor market conditions reduces her estimate on capacity release recovery from $13.9 million down to $10 million. Utilizing Ms. Elder's own methodology and the FERC approved maximum rates of $0.27/MMBtu, Ms. Elder's $10 million estimate would be reduced to approximately $4.0 million, which is significantly closer to the $3 million proposed in the Benchmark Mechanism, and much less than the $7.5 million of Mr. Parvinen. Please refer to Exhibit __(MED-3), for a derivation of these numbers.

Q. Are there other areas of the capacity release that you believe the Staff or Public Counsel have errors in their analysis, with respect to how revenues should be recovered?

A. Yes. With respect to the auditability of capacity release, both parties have indicated that there is not enough detail to complete their analysis of transportation revenues. I respectfully disagree and would point to the quarterly reports, which provides a full accounting of the recovery of costs for each of the transportation agreements, including what volumes flowed on the respective pipeline contracts from the receipt point to the delivery point. The report is concise and is generated directly from the pipeline invoices, which are billed directly to Avista Utilities. An excerpt of the pages from the June 30, 2003 quarterly report is attached as Exhibit____(MED-4). I believe where the confusion comes in is that the Staff and Public Counsel appear to want a detail description of what happens to the natural gas once it is dropped off at the delivery point, and the terms and conditions of Avista Energy's downstream sales. In their testimonies, they suggest that Avista

Utilities' customers should be entitled to value above and beyond the value of Avista Utilities transportation. It is irrelevant, however, what the details are of Avista Energy's deals because Avista Utilities' transportation is being compensated at the full market price. In addition, there is no valid reason for Avista Energy to credit to Avista Utilities' customers a rate for transportation that is above market. The industry is extremely competitive and will not provide value for transportation that is above what the market will dictate. It is this efficiency that helps keep natural gas prices competitive with other energy sources, which customers ultimately benefit from in their rates.

Q. With respect to Avista Energy's size do you believe that the WUTC Staff and Public Counsel value the benefit correctly?

A. No. With respect to the WUTC Staff, I believe that it discounts the value of Avista Energy and in fact has an over-inflated view of the value of the Avista Utility's assets to Avista Energy. Mr. Parvinen states on page 52 of his direct testimony that: "Access to these valuable assets provides economies of scale and market presence to Avista Energy." It is actually Avista Utilities that benefits from the size of Avista Energy, since Avista Utilities is approximately 3% of Avista Energy's business. I would agree and have stated in my testimony that Avista Energy receives intrinsic value by incrementally increasing the size of the business. However, I believe that there are benefits to both companies, which have been described in Mr. Norwood's testimony and in the pre-filed direct testimony.

Q. Do you agree with Public Counsel that the Benchmark Mechanism does not provide a true benchmark against which gas costs are measured and that the

additional decisions for which Avista Energy can receive an award are biased in its favor?

A. No. The Benchmark Mechanism includes a distinct benchmark against which gas costs are measured. As Mr. Norwood explained in his testimony, it is Avista Utilities' intention that the Tier 1 fixed price purchases that are made in advance to provide a level of price stability for Avista Utilities' customers, remain fixed. Therefore, no sharing or incentive has been designed around that element. Tier 2 purchases at FOM index prices, however, are used as a measure to determine Avista Energy's performance for the Tier 3 intra-month daily transactions. The incentive is set up such that if the costs of these daily transactions differ from the Tier 2 FOM index costs, this difference, up or down, is shared 80% to customers and 20% to Avista Energy. Therefore, Avista Energy clearly has an incentive to meet or beat the benchmark, otherwise it absorbs 20% of the difference in costs.

The Benchmark Mechanism is designed with symmetrical sharing (80%/20%) in all components (Commodity, Transportation and Storage.) Avista Energy provides significant value for Avista Utilities customers and an ability to transact in the market place in a manner which would not occur within the Utility.

Q. Are there other areas of concern with respect to Public Counsel or Staff testimony?

A. Yes. With respect to the "basin optimization," both WUTC Staff and Public Counsel do not adequately take into consideration the physical limitations of the system. Staff and Public Counsel suggest that there should be more flexibility in setting the supply basin percentage weightings, which in theory seems like a good idea, however, in practice

switching supply contracts could create supply reliability issues. Avista Energy is extremely sensitive to making any modifications to the Benchmark Mechanism that could jeopardize reliability of service. While the Benchmark Mechanism has been in place, Avista Energy has never failed to perform and Avista Utilities has not had to curtail customers due to lack of supply. In Staff and Public Counsel's proposed modifications to the mechanism they assume that there is 100% liquidity and the flexibility to economically perform such changes. They fail to consider at least two major factors in their recommendation.

First, the selection of the supply basin weighting percentages, is the starting point or foundation for the upcoming operating year upon which many other transactions are layered on top in order to optimize all the assets of the Utility. Some of these transactions include the following:

1. Once the basin weighting percentages are established for the upcoming operating year, it sets the initial estimated volumes that will be delivered from each supply basin to serve Avista Utilities' load, and it provides a guide for the amount of excess pipeline transportation that is available from each supply basin.
2. Based on that foundation, additional transactions are layered on top to further optimize the price differentials between the supply basins, which has been referred to as "basin optimization" in the Benchmark Mechanism proposal.
3. More transactions are layered on top related to pipeline capacity release and off-system sales.

4. In addition, pipeline transportation flexibility must be reserved for the use of JP Storage transactions, to serve Avista Utilities' load under a range of load conditions.

Some of these transactions will be longer-term transactions, e.g. for the full upcoming operating year, because in many cases the longer-term transactions will yield a higher value. All of these elements are extremely interrelated and a proposal to change the basin weightings mid-way through the operating year would undermine the opportunity to fully optimize the value of all of the assets.

Second, the layers of transactions I have outlined immediately above shows that the value that Staff and Public Counsel want to capture by changing basin weighting percentages is already being captured through other elements of the Benchmark Mechanism. For example, if prices change in the course of the year where one supply basin is significantly less expensive then the other two basins, the value of the transportation will increase from that region which will be recovered in the off-system sales transactions. Both the "basin optimization" value as well as the value from pipeline capacity release and off system sales are shared 80% customers and 20% Avista Energy. Therefore, customers will receive 80% of the value from a change in the supply basin price differentials, irrespective of whether it comes through the "basin optimization" or through the pipeline transportation optimization. Since the market is so intertwined it is imperative that the Mechanism incentives be symmetrical, hence the 80%/20% sharing in all areas of the Mechanism. This symmetry properly motivates Avista Energy to optimize all of the assets on behalf of Avista Utilities' customers.

Q. Are there other issues to consider with respect to moving the basin weightings?

A. Yes. In the management of the capacity release section of the Mechanism, Avista Utilities/Avista Energy will and have released capacity for terms that extend beyond one year. Those longer-term, non-recallable releases have historically recovered greater value than short-term recallable releases. If Avista were to implement the changes proposed by Staff and Public Counsel, some of those long-term releases would need to be modified to provide for the flexibility to change the basin weightings. It is difficult to determine the full impact that modifying those capacity releases would have when compared to the possible value you would gain in the event that prices are lower at the different basins. One thing that we do know for certain is that the market will pay less for an interruptible (recallable) product, which makes it more difficult to recover value on the excess capacity.

Q. Do you agree with Mr. Parvinen's conclusion that there is no additional cost associated with managing the load volatility of the Utility that occurs in Tier 3?

A. No. I disagree with his conclusions based on the actual experience Avista Energy has had in the Management of the existing Benchmark Mechanism.

Q. Can you please briefly describe the nature of daily load volatility in Tier 3 and what drives the cost to serve this load?

A. Yes. As Mr. Gruber explained in his rebuttal testimony (RHG-3T), prior to entering a month, the Company has already purchased a sufficient amount of natural gas to equal the expected average load for the month. Daily purchases or sales, together with the use of storage, are used to balance total supply with total load on a daily basis. The costs

associated with this daily load balancing is not zero, however, as suggested by Mr. Parvinen. To complete an analysis of the costs of daily load volatility, there are functionally two moving variables, price and load. With these two variables (price and load) there are four possible scenarios that can occur any day during the month. The four possible scenarios are detailed below.

1) Load and price decrease: Excess gas must be sold at the market, which is less than the benchmark FOM index price.
2) Load decreases and price increases: Excess gas must be sold at the market, which is more than the benchmark FOM index price.
3) Load increases and price decreases: Additional gas must be purchased at the market, which is less than the benchmark FOM index price.
4) Load and price increase: Additional gas must be purchased at the market, which is more than the benchmark FOM index price.

Given this information, the valuation of Tier 3 daily load volatility is really a straightforward calculation. Evaluating the operation of the Benchmark Mechanism from September 1999 to February 2003, Avista has reviewed the number of occurrences of each of these scenarios and the cost of the occurrences. The results of this analysis are presented in the table below and are also shown on Mr. Gruber's Exhibit ____(RHG-5C).

Scenario	Occurrences	(Benefit)/Cost
1	444	$(1,088,105)
2	233	$882,126
3	294	$1,351,515
4	299	$(9,061,470)
Total	**1270**	**$(7,915,934)**
1 & 4	743	$(10,149,575)
2 & 3	527	$2,233,641

This detailed analysis demonstrates that the costs of scenarios 1 and 4 (protection from daily price volatility) drastically out weigh the benefits to of scenarios 2 and 3. It also shows that the positive occurrences do not offset the negative occurrences and Mr.

Parvinen's judgment in his response to Avista Corp. Data Request No. 1 (provided as Exhibit ____ (RHG-6)) is incorrect, and unsupported by any analysis.

Q. Do you agree with Mr. Parvinen's statement on Page 45 of his testimony that states, "The Benchmark Mechanism contains very little risk for Avista Energy, other than the small amount of potential risk around the price volumes of Tier 3, Avista Energy can insulate itself from any risks"?

A. No. Mr. Parvinen is suggesting that Avista Energy has the ability to hedge all risk. Contrary to Mr. Parvinen's understanding of the natural gas market, Avista Energy is unable to hedge changes in weather, customer usage, pipeline reliability, nomination errors, wellhead deliverability, financial viability of counter-parties, and a host of other business issues that impact the delivery of natural gas. Public Counsel's witness also downplays in her testimony the risks associated with providing the services required under the Benchmark Mechanism.

Q. What is Avista Energy's response with respect to Public Counsel's recommendation that Avista Energy should lock in forward prices when withdrawal of gas from storage occurs earlier than the synthetic schedule?

A. We would agree and in fact have discussed purchasing hedges with WUTC Staff. However, we would not stop with just hedging the price, but would recommend purchasing the physical volumes to insure reliability of supply. Should the Commission approve continuation of the Benchmark Mechanism, we would propose that as part of the storage optimization, that Avista Utilities / Avista Energy purchase financial and physical products to insure the value is captured for customers.

Q. With respect to Mr. Parvinen's testimony does he give an accurate depiction of mark to market accounting?

A. No. Mr. Parvinen's understanding of Avista Energy's utilization of "mark to market" accounting is confusing at best. In his testimony he seems to imply that since Avista Energy uses pools of supply to serve loads, that Avista Energy does not have any idea of what its costs are to serve customers. Where the confusion may lie is that Avista Energy does not assign or link specific purchases to sales for its portfolio. However, Avista Energy does value every sale against the daily value of that gas to the sale. For example, if Avista Energy had an obligation (sale) to provide 10,000 MMBtu of gas to the Utility, a position would go in Avista Energy's book that shows an obligation of 10,000 MMBtu priced at the current market on the day. If the price moves $0.10/MMBtu up the next day, Avista Energy would re-value the obligation at the new price. If Avista Energy had not purchased the gas for the sale it would show a loss; if they had purchased the gas it would show a gain. So Avista energy does value daily positions, but not with respect to coloring the actual molecules, but from an overall view at each hub and for each term.

With respect to the Benchmark Mechanism Avista Energy's utilization of mark to market accounting is immaterial, since the Utility's purchase of supplies are not based on mark to market, but rather are tied back to fixed purchases (Tier 1), First of Month Index (Tier 2) and Avista Energy's average sales on the day for Tier 3.

Q. Should the Commission be concerned about utilizing Avista Energy's average sales on the day?

A. No. Avista Energy is able to provide the WUTC Staff with all of its daily transactions to audit the deals. Also, by utilizing Avista Energy's sales it is a good

representation of the market. Further, Avista Energy did an analysis of its performance (purchases & sales) with respect to Gas Daily, daily prices for the year of 2002 and there were no significant variances between Gas Daily published indices and Avista Energy's purchases and sales. Please refer to Exhibit__(MED-5), which provides an analysis of Avista Energy's Daily gas purchases and sales at the three basins from which Avista Utilities purchases its natural gas. The analysis showed that Avista Energy transacted essentially at market.

Q. Have you reviewed Staff's recommended Alternatives to the proposed Benchmark Mechanism?

A. Yes.

Q. What is Avista Energy's response to Alternative 2, which consists of increasing the guaranteed level of capacity release/off-system sales to $7 million and dropping the $900,000 management fee that is paid to Avista Energy? This alternative also includes changing the basin weightings every 6 months, on October 1 and April 1 of each year.

A. With respect to Alternative 2, Mr. Parvinen proposes that Avista Energy take on more risk with respect to capacity release/off-system sales, while at the same time eliminating the $900,000 management fee. By eliminating the $900,000 fee, Mr. Parvinen is discounting the costs associated with credit, currency, scheduling, etc. and replacing it with "so called" benefits Avista Energy receives by managing the assets. These costs of doing business, however are not outweighed by theoretical benefits related to managing the assets of Avista Utilities, which as I explained earlier in my testimony are currently less than 3% of Avista Energy's total gas business.

Also, Mr. Parvinen's calculation provides no analysis which supports how transportation assets are valued in today's natural gas market. He relies on historic data that may or may not be valid in the future. The value of transportation will be ultimately dictated by market factors (weather, supply availability, power prices, legislation, etc.) that are beyond Avista Energy's control. In fact, historically Avista Energy has stated that the value they bring to the Mechanism is the liquidity to transact when opportunities arise versus some ability to predict prices that ultimately set the value of transportation. Based on our analysis and expertise, Alternative 2 is unacceptable.

Q. Do you have any concerns with respect to changing the basin weightings every six months as proposed in this Alternative?

A. Yes. As I explained earlier in my testimony I am concerned that a change mid-stream on the basin weightings will devalue the long term capacity releases, increase reliability concerns and may create uncertainty, in order to capture value that is already covered in other areas of the Mechanism. As I explained earlier the change in prices between the supply basins will be captured either through "basin optimization" transactions or the capacity release/off-system sales transactions based on the available transportation. These transactions will capture the majority of the value that Staff is focusing on, while preserving the value from long-term capacity releases discussed earlier, as well as preserving reliability of supply. As Mr. Norwood stated in his testimony, the design of the benchmark mechanism is well structured and thoughtfully developed. It has been refined over time, based on experience and input from multiple state jurisdictions. It has aligned Avista Energy's interests with those of Avista Utilities' customers such that Avista Energy only benefits if Avista Utilities' customers benefit.

Q. What is Avista Energy's response to Alternative 3, which calls for the Utility to assign all transportation to Avista Energy and then have the Utility pay for only the transportation it needs? This alternative also calls for the $900,000 management fee to remain.

A. Alternative 3 further increases Avista Energy's risk associated with capacity release/off system sales, which is unacceptable even with the $900,000 management fee. Staff's Alternative 3 assumes that Avista Energy could recover 100% of the tariff rate when the Utility does not require the transportation. Unfortunately, when the Utility does not require the transportation, the Pacific Northwest has an oversupply of transportation. Also, Mr. Parvinen fails to consider that, in order to provide that level of service, Avista Energy would have to hold transportation available to meet the fluctuations in Avista Utility's daily load, which can be substantial. This Alternative is simply unworkable given today's market conditions.

Q. Does that conclude your prepared rebuttal testimony?

A. Yes it does.

BEFORE THE WASHINGTON UTILITIES & TRANSPORTATION COMMISSION

DOCKET NO. UG-021584

EXHIBIT ____ (MED-4)

Capacity Releases - Month of June 2003

Washington/Idaho Releases	Contract	MMBtu	Rate	Basis	Volumetric	Volumes Moved	Value
Page 1 of 2							
100010 release to IGI	110203	10,000	$ 0.27760	100.00%	NO		($83,280.00)
100010	190203	2,841	$ 0.27760	100.00%	NO		($23,659.85)
190203 contract for retained segment	100010	2,841	$ 0.27760	100.00%	NO		$23,659.85
190203 release to IPES	115151	2,841	$ 0.27760	100.00%	NO		($23,659.85)
190203	195151	2,841	$ 0.27760	100.00%	NO		($23,659.85)
195151 contract for retained segment	190203	2,841	$ 0.27760	100.00%	NO		$23,659.85
195151 release to Avista Energy	129240	2,841	$ 0.27760	100.00%	NO		($23,659.85)
115161 contract for returned segment	115151	2,841	$ 0.27760	100.00%	NO		$23,659.85
100010	190204	7,159	$ 0.27760	100.00%	NO		($59,620.15)
190204 contract for retained segment	100010	7,159	$ 0.27760	100.00%	NO		$59,620.15
190204 release to IPES	115152	7,159	$ 0.27760	100.00%	NO		($59,620.15)
190204	195152	7,159	$ 0.27760	100.00%	NO		($59,620.15)
195152 contract for retained segment	190204	7,159	$ 0.27760	100.00%	NO		$59,620.15
195152 release to Avista Energy	129239	6,709	$ 0.27760	100.00%	NO		($55,872.55)
115163 contract for returned segment	115152	7,159	$ 0.27760	100.00%	NO		$59,620.15
115163 release to Duke	122642	7,000	$ 0.13880	50.00%	NO		($29,148.00)
100010 release to GP Bell	110215	1,750	$ 0.27760	100.00%	NO		($14,574.00)
100010	190215	1,750	$ 0.27760	100.00%	NO		($14,574.00)
190215 contract for retained segment	100010	1,750	$ 0.27760	100.00%	NO		$14,574.00
100010 release to WA State - Eastern/Lakeland	124463	260	$ 0.27760	100.00%	NO		($2,165.28)
100010 release to WA State - Eastern/Lakeland	124464	190	$ 0.27760	100.00%	NO		($1,582.32)
100010 release to Washington Natural Gas	193649	8,056	$ 0.27760	100.00%	NO		($67,090.37)
193649 contract for retained segment	100010	8,056	$ 0.27760	100.00%	NO		$67,090.37
114115 Tonasket swap	113922	8,056	$ 0.22208	80.00%	NO		$53,672.30
114115 release to Avista Energy	129259	8,056	$ 0.27760	100.00%	NO		($67,090.37)
100010	113649	8,056	$ 0.27760	100.00%	NO		($67,090.37)
100010 release to Duke/PanEnergy	113650	9,094	$ 0.27760	100.00%	NO		($75,734.83)
113665 contract for retained segment	113650	9,094	$ 0.27760	100.00%	NO		$75,734.83
113665 release to Avista Energy	129237	9,094	$ 0.27760	100.00%	NO		($75,734.83)
100010	193650	9,094	$ 0.27760	100.00%	NO		($75,734.83)
193650 contract for retained segment	100010	9,094	$ 0.27760	100.00%	NO		$75,734.83
100010	193651	4,594	$ 0.27760	100.00%	NO		($38,258.83)
193651 contract for retained segment	100010	4,594	$ 0.27760	100.00%	NO		$38,258.83
100010	193652	4,500	$ 0.27760	100.00%	NO		($37,476.00)
193652 contract for retained segment	100010	4,500	$ 0.27760	100.00%	NO		$37,476.00
100010 release to Duke/PanEnergy	113651	15,850	$ 0.27760	100.00%	NO		($131,998.80)
113664 contract for returned segment	113651	15,850	$ 0.27760	100.00%	NO		$131,998.80
113664 release to Avista Energy	129236	11,300	$ 0.27760	100.00%	NO		($94,106.40)
100010	193653	15,850	$ 0.27760	100.00%	NO		($131,998.80)
193653 contract for retained segment	100010	15,850	$ 0.27760	100.00%	NO		$131,998.80
100010	193654	200	$ 0.27760	100.00%	NO		($1,665.60)
193654 contract for retained segment	100010	200	$ 0.27760	100.00%	NO		$1,665.60
100010	193655	61	$ 0.27760	100.00%	NO		($508.01)
193655 contract for retained segment	100010	61	$ 0.27760	100.00%	NO		$508.01
100010	193656	1,226	$ 0.27760	100.00%	NO		($10,210.13)
193656 contract for retained segment	100010	1,226	$ 0.27760	100.00%	NO		$10,210.13
100010	193657	7,400	$ 0.27760	100.00%	NO		($61,627.20)
193657 contract for retained segment	100010	7,400	$ 0.27760	100.00%	NO		$61,627.20
193657 release to IPES	115154	4,000	$ 0.27760	100.00%	NO		($33,312.00)
115165 contract for returned segment	115154	4,000	$ 0.27760	100.00%	NO		$33,312.00
193657	195154	4,000	$ 0.27760	100.00%	NO		($33,312.00)
195154 contract for retained segment	193657	4,000	$ 0.27760	100.00%	NO		$33,312.00
100010	193658	305	$ 0.27760	100.00%	NO		($2,540.04)
193658 contract for retained segment	100010	305	$ 0.27760	100.00%	NO		$2,540.04
100010	193659	68	$ 0.27760	100.00%	NO		($566.30)
193659 contract for retained segment	100010	68	$ 0.27760	100.00%	NO		$566.30
100010	193660	6,000	$ 0.27760	100.00%	NO		($49,968.00)
193660 contract for retained segment	100010	6,000	$ 0.27760	100.00%	NO		$49,968.00
115166 contract for returned segment	115156	6,000	$ 0.27760	100.00%	NO		$49,968.00
115166 release to Duke	130122	-3,000	$ 0.15268	100.00%	NO		($13,741.20)
193660 release to IPES	115156	6,000	$ 0.27760	100.00%	NO		($49,968.00)
193660	195156	1,500	$ 0.27760	100.00%	NO		($12,492.00)

Exhibit__(MED-4)
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Capacity Releases - Month of June 2003

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Washington/Idaho Releases	Contract	MMBtu		Rate	Basis	Volumetric	Volumes Moved	Value
195156 contract for retained segment	193660	1,500	$	0.27760	100.00%	NO		$12,492.00
193660	195157	500	$	0.27760	100.00%	NO		($4,164.00)
195157 contract for retained segment	193660	500	$	0.27760	100.00%	NO		$4,164.00
193660	195158	4,000	$	0.27760	100.00%	NO		($33,312.00)
195158 contract for retained segment	193660	4,000	$	0.27760	100.00%	NO		$33,312.00
100010	193661	590	$	0.27760	100.00%	NO		($4,913.52)
193661 contract for retained segment	100010	590	$	0.27760	100.00%	NO		$4,913.52
100010 release to IGI	129036	300	$	0.27760	100.00%	NO		($2,498.40)
100010 release to Avista Energy	129035	4,536	$	0.27760	100.00%	NO		($37,775.81)
129042 contract for retained segment	129035	4,536	$	0.27760	100.00%	NO		$37,775.81
100010 release to Potlatch	124372	4,000	$	0.27760	100.00%	NO		($33,312.00)
100010 release to Potlatch	124373	1,040	$	0.27760	100.00%	NO		($8,661.12)
100010 release to Potlatch	124374	2,900	$	0.27760	100.00%	NO		($24,151.20)
100010 release to Potlatch	124375	4,060	$	0.27760	100.00%	NO		($33,811.68)
100164 release to Avista Energy	129043	2,764	$	0.27760	100.00%	NO		($23,018.59)
129079 contract for retained segment	129043	2,764	$	0.27760	100.00%	NO		$23,018.59
129042	130287	84	$	0.27760	100.00%	NO		($699.55)
129079	130286	116	$	0.27760	100.00%	NO		($966.05)
Total WA/ID NWP releases								($578,472.86)
Washington/Idaho PGT Releases:								
F-00177 release to IGI	C-08504	1,000			100.00%	Yes	19,010	($1,480.67)
F-02591 release to Duke	C-08503	1,650			100.00%	Yes	14,340	($1,012.76)
Washington/Idaho Nova Releases:								
None								
Washington/Idaho ANG Releases:								
None								
Total Washington/Idaho releases								($580,966.29)
	Washington's Share				**73.62%**			**($427,707.38)**
	Idaho's Share				**26.38%**			**($153,258.91)**

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Calculation of Off-System Sales Margins
Month of June 2003
Use of Washington/Idaho Transportation on Nova, ANG, PGT

http://www.pge-nw.com/info_post/ http://www.transcanada.com/BC_System/current_fuel.html

PGT Fuel Rate Stanfield to Starr Roa	0.00490332	
PGT Fuel Rate to Sandpoint:	0.001719	0.0035%
PGT Fuel Rate to Rathdrum:	0.002832	0.0029%
PGT Fuel Rate to Starr Rd:	0.003140	0.0029%
PGT Fuel Rate to Stanfield:	0.008044	0.0029%
ANG Fuel Rate A/B to King:	0.006000	0.0000%

Use of Washington/Idaho Transportation on PGT
Delivery Points & Volumes

Date	LANC 177 6474	SNWP 177 100010	SNWP 177 193650	SNWP 177 193653	SNWP 178 193662	LANC 2591 5474	SNWP 177 193663	LANC 2591 6474	SNWP 2591 193650	LANC 2592 5474	SNWP 2592 100010	SNWP 2592 100164	SNWP 2592 193653	Total AECO/Stan Delivered Volumes	AECO Gas Daily Average	Stanfield Gas Daily Average	AECO Stanfield Gas Daily Average	AECO Stanfield Delivered Value	Stanfield STAN 2591 6474	Stanfield STAN 2592 6474	Total Stanfield Delivered Volumes	Stanfield Gas Daily Index
1														-	5.080	5.190	$ 5.1350	$ -			-	5.190
2														-	5.080	5.190	$ 5.1350	$ -			-	5.190
3														-	5.325	5.410	$ 5.3675	$ -		8,935	8,935	5.410
4														-	5.305	5.360	$ 5.3325	$ -		12	12	5.360
5														-	5.400	5.490	$ 5.4450	$ -			-	5.490
6														-	5.185	5.255	$ 5.2200	$ -			-	5.255
7														-	5.155	5.220	$ 5.1875	$ -			-	5.220
8														-	5.155	5.220	$ 5.1875	$ -			-	5.220
9														-	5.155	5.220	$ 5.1875	$ -			-	5.220
10														-	5.140	5.230	$ 5.1850	$ -			-	5.230
11														-	5.135	5.220	$ 5.1775	$ -			-	5.220
12														-	5.085	5.155	$ 5.1200	$ -			-	5.155
13														-	4.975	5.035	$ 5.0050	$ -		10,000	10,000	5.035
14														-	4.405	4.445	$ 4.4250	$ -			-	4.445
15														-	4.405	4.445	$ 4.4250	$ -			-	4.445
16														-	4.405	4.445	$ 4.4250	$ -			-	4.445
17														-	4.415	4.545	$ 4.4800	$ -		4,366	4,366	4.545
18														-	4.730	4.835	$ 4.7825	$ -		1,388	1,388	4.835
19														-	4.785	4.800	$ 4.7925	$ -		8,225	8,225	4.800
20														-	4.645	4.710	$ 4.6775	$ -		842	842	4.710
21														-	4.725	4.830	$ 4.7775	$ -			-	4.830
22														-	4.725	4.830	$ 4.7775	$ -			-	4.830
23														-	4.725	4.830	$ 4.7775	$ -			-	4.830
24														-	4.960	5.015	$ 4.9875	$ -			-	5.015
25														-	4.970	5.015	$ 4.9925	$ -		2,000	2,000	5.015
26														-	4.880	5.000	$ 4.9400	$ -		6,000	6,000	5.000
27	3,650					23,350								27,000	4.905	4.970	$ 4.9375	$ 133,312.50		8,700	8,700	4.970
28	9,650					23,350								33,000	4.470	4.545	$ 4.5075	$ 148,747.50	10,000	9,629	19,629	4.545
29														-	4.470	4.545	$ 4.5075	$ -	10,000	9,993	19,993	4.545
30						23,351								23,351	4.470	4.545	$ 4.5075	$ 105,254.63	10,000	9,993	19,993	4.545
31														-	4.950	5.080	$ 5.0150	$ -			-	5.080
Total	13,300	-	-	-	-	70,051	-	-	-	-	-	-	-	83,351	$ 4.878	$ 4.956	$ 4.917	$ 387,314.63	30,000	80,083	110,083	$ 4.956

Total PGT Delivered Volumes and Values:

AECO-Stan Deliveries	$ 387,314.63	83,351	
Stanfield Deliveries	$ 522,972.12	110,083	
Total	$ 910,286.75	193,434	Dth

ANG Variable Transportation Charge: **Washington/Idaho**

Based on Volume delivered at Kingsgate	Volume	Cost
ANG Interruptible Transportation		$ -
Volumes priced at Daily Index	36,369	$ 110.58
Volumes priced at Monthly Index	-	$ -
Total		$ 110.58

1.3523

ANG Variable Cost/Dth $ 0.00288192 *0.739480884*

0.739480884*((0.00002408778*170.7)+0.000)/1.055056

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Calculation of Off-System Sales Margins
Month of June 2003
Use of Washington/Idaho Transportation on Nova, ANG, PGT

Date	Stanfield Delivered Value	Use of Washington/Idaho Transportation on PGT Daily Pricing Receipt Points and Value: AECO Receipts King/Stan Deliv	AECO Receipts Stan Delivery	Total PGT Fuel	Total ANG Fuel	Total Volume at AECO	NOVA AECO-C Gas Daily	AECO Receipt Value	Stanfield or Starr Road Receipts AECO/Stan Deliv	Starr Road Receipts Stan Delivery	Total PGT Fuel	Total Volume at Starr	Starr GD	Starr Receipt Value	Kingsgate Receipts Stan Deliv	Kingsgate Receipts AECO/Stan Del	Total PGT Fuel	Volume at Kingsgate	AECO Gas Daily	AECO Receipt Value
1	$ -			-	-	-	5.157	$ -			-	-	5.135	$ -			-	-	5.080	$ -
2	$ -			-	-	-	5.157	$ -			-	-	5.135	$ -			-	-	5.080	$ -
3	$ 48,338.35			-	-	-	5.316	$ -			-	-	5.368	$ -	8,935		72	9,007	5.325	$ 47,961.59
4	$ 64.32			-	-	-	5.356	$ -			-	-	5.333	$ -	12		0	12	5.305	$ 64.17
5	$ -			-	-	-	5.550	$ -			-	-	5.445	$ -			-	-	5.400	$ -
6	$ -			-	-	-	5.326	$ -			-	-	5.220	$ -			-	-	5.185	$ -
7	$ -			-	-	-	5.435	$ -			-	-	5.188	$ -			-	-	5.155	$ -
8	$ -			-	-	-	5.435	$ -			-	-	5.188	$ -			-	-	5.155	$ -
9	$ -			-	-	-	5.435	$ -			-	-	5.188	$ -			-	-	5.155	$ -
10	$ -			-	-	-	5.344	$ -			-	-	5.185	$ -			-	-	5.140	$ -
11	$ -			-	-	-	5.245	$ -			-	-	5.178	$ -			-	-	5.135	$ -
12	$ -			-	-	-	5.257	$ -			-	-	5.120	$ -			-	-	5.085	$ -
13	$ 50,350.00		10,000	80	60	10,141	5.092	$ 51,633.06			-	-	5.005	$ -			-	-	4.975	$ -
14	$ -			-	-	-	4.584	$ -			-	-	4.425	$ -			-	-	4.405	$ -
15	$ -			-	-	-	4.584	$ -			-	-	4.425	$ -			-	-	4.405	$ -
16	$ -			-	-	-	4.584	$ -			-	-	4.425	$ -			-	-	4.405	$ -
17	$ 19,843.47		4,366	35	26	4,428	4.617	$ 20,439.98			-	-	4.480	$ -			-	-	4.415	$ -
18	$ 6,710.98			-	-	-	4.804	$ -			-	-	4.783	$ -	1,388		11	1,399	4.730	$ 6,618.06
19	$ 39,480.00		1,000	8	6	1,014	4.705	$ 4,771.35		7,225	58	7,283	4.793	$ 34,904.33			-	-	4.785	$ -
20	$ 3,965.82		842	7	5	854	4.679	$ 3,995.28			-	-	4.678	$ -			-	-	4.645	$ -
21	$ -			-	-	-	4.816	$ -			-	-	4.778	$ -			-	-	4.725	$ -
22	$ -			-	-	-	4.816	$ -			-	-	4.778	$ -			-	-	4.725	$ -
23	$ -			-	-	-	4.816	$ -			-	-	4.778	$ -			-	-	4.725	$ -
24	$ -			-	-	-	4.979	$ -			-	-	4.988	$ -			-	-	4.960	$ -
25	$ 10,030.00			-	-	-	4.950	$ -			-	-	4.993	$ -	2,000		16	2,016	4.970	$ 10,019.95
26	$ 30,000.00			-	-	-	4.844	$ -			-	-	4.940	$ -	6,000		48	6,048	4.880	$ 29,515.52
27	$ 43,239.00	9,800		31	59	9,890	4.730	$ 46,779.90			-	-	4.938	$ -	8,700	17,200	124	26,024	4.905	$ 127,647.70
28	$ 89,213.81	9,650	2,499	50	73	12,273	4.505	$ 55,287.72			-	-	4.508	$ -	9,629	30,851	174	40,654	4.470	$ 181,724.89
29	$ 90,868.19			-	-	-	4.505	$ -			-	-	4.508	$ -	19,993		161	20,154	4.470	$ 90,087.57
30	$ 90,868.19			-	-	-	4.505	$ -			-	-	4.508	$ -	19,993	23,351	234	43,578	4.470	$ 194,794.33
31	$ -			-	-	-	5.015	$ -			-	-	5.015	$ -			-	-	4.950	$ -
Total	$ 522,972.12	19,450	18,707	212	230	38,599	$ 4.972	$ 182,907.29	-	7,225	58	7,283	$ 4.917	$ 34,904.33	76,650	71,402	841	148,893	$ 4.878	$ 688,433.77

Total Received Volumes and Values:			
Starr Road	$ 34,904.33	7,283	
Stanfield	$ -	-	
AECO Receipt	$ 182,907.29	38,599	
Kingsgate	$ 688,433.77	148,893	Dth
Total	$ 906,245.39	194,775	
Total PGT Variable Transportation Cost			$ 1,234.49

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States of Washington and Idaho - Calculation of Off-System Sales Margins:
NWP Delivered Volumes
Month of June 2003

Use of Washington/Idaho Transportation on Northwest Pipeline
Delivery Points & Volumes

Use of Washin
Delivery Poi

Date	Clark 100010	Clark 100010	IEPA 100010	Ellensburg 100010	AVS2 100010	IEPA 100010	Ellensburg 100010	Clark 100010	AVS2 100010	IEPA 100010	Ellensburg 100010	AVS2 100010	IEP 100010	IEPA 100010	Clark 2E+05	Clark 193658	Clark 193659	Clark 193658	Clark 193659	Total NWP All Delivery	NWP All Gas Daily	NWP All Delivered Value	JP 100010	JP 100010	JP 100010	JP 100010	JP 100010	JP 100010	JP 118684	JP 100164	JP 100164	Total JP Delivery
1			1,502	1,000	800	299														3,601	5.102	$ 18,372.06		4,378			17,193		4,540	6,852	384	33,347
2			1,502	1,000	800	299														3,601	5.102	$ 18,372.06		4,378			8,193		4,540	6,852	384	24,347
3																				-	5.266	$ -		70	109		1,818		815		7,236	10,048
4																				-	5.250	$ -					15,218		4,540		7,236	26,994
5											1,000	800		1,800						3,600	5.322	$ 19,157.65					5,676		4,550		7,236	17,462
6											1,000	800		1,800						3,600	5.194	$ 18,697.95	7,028	1,366	1,657		16,091	9,799	4,550		7,236	47,717
7											1,000	200	741	1,059						3,000	5.194	$ 15,581.62	7,028		22	9,799	15,218		3,205		7,236	42,498
8											1,000	200	741	1,059						3,000	5.194	$ 15,581.62	7,028		22	9,799	15,218		3,205		7,236	42,498
9											1,000	200	741	1,059						3,000	5.194	$ 15,581.62	7,028		22	9,799	15,218		3,205		7,236	42,498
10											1,000	200		1,800						3,000	5.127	$ 15,382.42	7,028	3,622		9,799						20,439
11	7,028	3,622						3,096			1,000	200		1,800						16,736	5.225	$ 87,437.58				1,802						1,802
12											1,000	200		1,800						3,000	5.143	$ 15,428.39										-
13							1,000		200	1,800										3,000	4.785	$ 14,355.76	4,151									4,151
14							1,000		200	1,800										3,000	4.264	$ 12,792.78										-
15							1,000		200	1,800										3,000	4.264	$ 12,792.78	2,133		1,757		225					4,115
16							1,000		200	1,800										3,000	4.264	$ 12,792.78										-
17							1,000		200	1,800										3,000	4.463	$ 13,390.39		1,554								1,554
18							1,500		1,000	1,800										4,300	4.816	$ 20,708.36					4,963	6,707				11,670
19							1,500		1,000	1,800										4,300	4.826	$ 20,752.29				964						964
20							1,500		2,400	1,800										5,700	4.688	$ 26,722.77										-
21							1,500		2,400	1,800										5,700	4.816	$ 27,450.62	5,771			1,469		6,814				14,048
22							1,500		2,400	1,800										5,700	4.816	$ 27,450.62	7,028		1,257		10,396	3,839				22,510
23							1,500		2,400	1,800										5,700	4.816	$ 27,450.62	3,513	2,032	627		10,396	6,814				23,372
24							1,500		2,400	1,800										5,700	5.010	$ 28,556.97					4,206				3,701	7,907
25							1,100		2,400	1,800										5,900	5.005	$ 28,525.90		5,248				9,789				15,037
26							1,100		3,000	1,800										5,900	4.995	$ 29,468.56		4,749				9,789				14,538
27							1,100		3,000	1,800										5,900	5.056	$ 29,830.19	184	3,966				9,789				13,939
28							900		3,000	1,800										5,700	4.683	$ 26,693.65		4,249				9,789				14,038
29							900		3,000	1,800										5,700	4.683	$ 26,693.65		4,249			200	9,789				14,238
30							900		3,000	1,800										5,700	4.683	$ 26,693.65		4,249				9,789				14,038
31																				-	4.908	$ -										-
	7,028	3,622	3,004	2,000	1,600	598	21,500	3,096	32,400	32,400	8,000	2,800	2,223	12,177	-	-	-	-	-	######	$ 4.909	$ 650,715.30	57,920	#####	5,473	#####	140,209	92,697	33,150	13,704	55,121	485,789

Total NWP Delivered Volumes and Values:

NWP All Gates	$	650,715.30	132,439
Sumas	$	636,549.87	136,186
AECO/Stanfield Average	$	-	-
Sumas/Stanfield Average	$	2,416,275.79	485,789
South of Green Delivery	$	-	-
Stanfield	$	-	-
Total	$	3,704,540.95	754,405

$ 27,294.02

NWP Transportation

Delivery Points & Volumes - Page 1 of 1

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ıgton/Idaho Transportation on Northwest Pipeline

nts & Volumes

Date	Sumas Gas Daily Average	Stanfield Gas Daily Average	Sum/Stan Gas Daily Average	Sedro Wolley 100010	Sedro Wolley 100010	Sedro Wolley 100010	Sedro Wolley 100010	Total Sumas Delivery	Sumas Gas Daily	Sumas Delivered Value
1	$ 4.910	$ 5.190	$ 5.050					-	$ 4.910	$ -
2	$ 4.910	$ 5.190	$ 5.050					-	$ 5.090	$ -
3	$ 5.090	$ 5.410	$ 5.250					-	$ 5.055	$ -
4	$ 5.055	$ 5.360	$ 5.208					-	$ 5.125	$ -
5	$ 5.125	$ 5.490	$ 5.308				4,500	4,500	$ 5.000	$ 22,500.00
6	$ 5.000	$ 5.255	$ 5.128	1,100			4,500	5,600	$ 5.000	$ 28,000.00
7	$ 5.000	$ 5.220	$ 5.110	1,100			4,500	5,600	$ 5.000	$ 28,000.00
8	$ 5.000	$ 5.220	$ 5.110	1,100			4,500	5,600	$ 5.000	$ 28,000.00
9	$ 5.000	$ 5.220	$ 5.110	1,100			4,500	5,600	$ 4.935	$ 27,636.00
10	$ 4.935	$ 5.230	$ 5.083	1,100			4,500	5,600	$ 5.030	$ 28,168.00
11	$ 5.030	$ 5.220	$ 5.125	1,100			4,500	5,600	$ 4.950	$ 27,720.00
12	$ 4.950	$ 5.155	$ 5.053	1,100			5,000	6,100	$ 4.600	$ 28,060.00
13	$ 4.600	$ 5.035	$ 4.818	1,100	5,000			6,100	$ 4.090	$ 24,949.00
14	$ 4.090	$ 4.445	$ 4.268		5,000			5,000	$ 4.090	$ 20,450.00
15	$ 4.090	$ 4.445	$ 4.268		5,000			5,000	$ 4.090	$ 20,450.00
16	$ 4.090	$ 4.445	$ 4.268		5,000			5,000	$ 4.285	$ 21,425.00
17	$ 4.285	$ 4.545	$ 4.415		5,000			5,000	$ 4.630	$ 23,150.00
18	$ 4.630	$ 4.835	$ 4.733	812	4,188			5,000	$ 4.640	$ 23,200.00
19	$ 4.640	$ 4.800	$ 4.720	811	3,224	964		4,999	$ 4.505	$ 22,520.50
20	$ 4.505	$ 4.710	$ 4.608	2,211	2,789			5,000	$ 4.630	$ 23,150.00
21	$ 4.630	$ 4.830	$ 4.730	2,211	1,325	1,463		4,999	$ 4.630	$ 23,145.37
22	$ 4.630	$ 4.830	$ 4.730	2,211	2,789			5,000	$ 4.630	$ 23,150.00
23	$ 4.630	$ 4.830	$ 4.730	2,211	2,789			5,000	$ 4.820	$ 24,100.00
24	$ 4.820	$ 5.015	$ 4.918	2,211	2,789			5,000	$ 4.815	$ 24,075.00
25	$ 4.815	$ 5.015	$ 4.915	2,112	3,188			5,300	$ 4.805	$ 25,466.50
26	$ 4.805	$ 5.000	$ 4.903	2,712	2,588			5,300	$ 4.865	$ 25,784.50
27	$ 4.865	$ 4.970	$ 4.918	2,712	2,588			5,300	$ 4.500	$ 23,850.00
28	$ 4.500	$ 4.545	$ 4.523	2,211	2,789			5,000	$ 4.500	$ 22,500.00
29	$ 4.500	$ 4.545	$ 4.523	2,211	2,789			5,000	$ 4.500	$ 22,500.00
30	$ 4.500	$ 4.545	$ 4.523	2,211	2,789			5,000	$ 4.720	$ 23,600.00
31	$ 4.720	$ 5.080	$ 4.900					-	$ -	$ -
	$ 4.878	$ 5.121	$ 5.000	35,647	#####	2,427	#####	136,198	$ 4.563	$ 635,549.87

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States of Washington and Idaho - Calculation of Off-System Sales Margins:

NWP Received Volumes

Month of June 2003

Use of Washington/Idaho Transportation on Northwest Pipeline

Receipt Points & Volumes

Date	JP 100010	JP 100010	JP 100010	JP 100164	JP 100164	JP 100164	JP 1E+05	JP 113864	Total for JP Receipt	Sumas/ Stanfield Gas Daily Average	JP Receipt Value
1									-	5.050	$ -
2									-	5.050	$ -
3									-	5.250	$ -
4									-	5.208	$ -
5									-	5.308	$ -
6									-	5.128	$ -
7									-	5.110	$ -
8									-	5.110	$ -
9									-	5.110	$ -
10									-	5.083	$ -
11									-	5.125	$ -
12									-	5.053	$ -
13									-	4.818	$ -
14									-	4.268	$ -
15									-	4.268	$ -
16									-	4.268	$ -
17									-	4.415	$ -
18									-	4.733	$ -
19									-	4.720	$ -
20									-	4.608	$ -
21									-	4.730	$ -
22									-	4.730	$ -
23									-	4.730	$ -
24									-	4.918	$ -
25									-	4.915	$ -
26									-	4.903	$ -
27									-	4.918	$ -
28									-	4.523	$ -
29									-	4.523	$ -
30									-	4.523	$ -
31									-	4.900	$ -
	-	-	-	-	-	-	-	-	-	$ 4.838	$ -

Total NWP Received Volumes and Values:

JP Receipt	$	-	-	
Stanfield	$	-	-	
Wyoming Pool F	$	756,868.24	167,607	
Opal Receipt	$	-	-	
Starr Road Rece	$	-	-	
South of Green I	$	1,607,609.03	353,185	
Sumas Receipt	$	1,237,183.96	249,886	
Total	$	3,633,661.23	770,678	Dth

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States of Washington and Idaho - Calculation of Off-System Sales Margins:

NWP Received Volumes

Month of June 2003

Date	Green River 100010	Green River 100010	Green River 100010	Green River 100010	Wyoming 100010	Wyoming 100010	Wyoming 100010	Wyoming 100010	Wyoming 100010	Wyoming 100010	Total Wyoming Pool Receipt	Wyoming Pool Gas Daily Average	Total Wyoming Pool Receipt Value	Sumas 100010	Sumas 100010	Sumas 100164	Sumas 100164	Sumas 113864	Total Sumas Receipt	Sumas Gas Daily	Sumas Receipt Value
1		1,022	817	305							2,144	$ 4.990	$ 10,696.56		17,564	7,000	392	4,638	29,594	$ 4.910	$ 145,306.54
2		1,022	817	305							2,144	$ 4.990	$ 10,696.56		8,370	7,000	392	4,638	20,400	$ 4.910	$ 100,164.00
3	111										111	$ 5.205	$ 577.76		1,857		7,392	833	10,082	$ 5.090	$ 51,317.38
4											-	$ 5.225	$ -		15,546		7,392	4,638	27,576	$ 5.055	$ 139,396.68
5					4,597		1,022	817		1,839	8,275	$ 5.200	$ 43,030.00		5,798		7,392	4,648	17,838	$ 5.125	$ 91,419.75
6	1,693				4,597	10,000	1,022	817		1,839	19,968	$ 5.065	$ 101,137.92		16,438		7,392	4,648	28,478	$ 5.000	$ 142,390.00
7	22				4,597		1,022	204	757	1,082	7,684	$ 4.710	$ 36,191.64		15,546		7,392	3,274	26,212	$ 5.000	$ 131,060.00
8	22				4,597		1,022	204	757	1,082	7,684	$ 4.710	$ 36,191.64		15,546		7,392	3,274	26,212	$ 5.000	$ 131,060.00
9	22				4,597		1,022	204	757	1,082	7,684	$ 4.710	$ 36,191.64		15,546		7,392	3,274	26,212	$ 5.000	$ 131,060.00
10					4,597		1,022	204		1,839	7,662	$ 4.955	$ 37,965.21						-	$ 4.935	$ -
11					4,597		1,022	204		1,839	7,662	$ 4.930	$ 37,773.66						-	$ 5.030	$ -
12					5,108		1,022	204		1,839	8,173	$ 4.925	$ 40,252.03						-	$ 4.950	$ -
13											-	$ 4.595	$ -						-	$ 4.600	$ -
14											-	$ 4.155	$ -						-	$ 4.090	$ -
15	1,795										1,795	$ 4.155	$ 7,458.23		230				230	$ 4.090	$ 940.70
16											-	$ 4.155	$ -						-	$ 4.090	$ -
17											-	$ 4.260	$ -						-	$ 4.285	$ -
18						6,852					6,852	$ 4.565	$ 31,279.38		5,070				5,070	$ 4.630	$ 23,474.10
19											-	$ 4.755	$ -	985					985	$ 4.640	$ 4,570.40
20											-	$ 4.735	$ -						-	$ 4.505	$ -
21						6,961					6,961	$ 4.580	$ 31,881.38	1,495					1,495	$ 4.630	$ 6,921.85
22	1,284					3,922					5,206	$ 4.580	$ 23,843.48		10,610				10,610	$ 4.630	$ 49,124.30
23	641					6,961					7,602	$ 4.580	$ 34,817.16		10,610				10,610	$ 4.630	$ 49,124.30
24											-	$ 4.835	$ -		4,297		3,781		8,078	$ 4.820	$ 38,935.96
25						10,000					10,000	$ 4.750	$ 47,500.00						-	$ 4.815	$ -
26						10,000					10,000	$ 4.625	$ 46,250.00						-	$ 4.805	$ -
27						10,000					10,000	$ 4.645	$ 46,450.00						-	$ 4.865	$ -
28						10,000					10,000	$ 4.290	$ 42,900.00						-	$ 4.500	$ -
29						10,000					10,000	$ 4.290	$ 42,900.00		204				204	$ 4.500	$ 918.00
30						10,000					10,000	$ 4.290	$ 42,900.00						-	$ 4.500	$ -
31											-	$ 4.785	$ -						-	$ 4.720	$ -
	5,590	2,044	1,634	610	37,287	94,696	8,176	2,858	2,271	12,441	167,607	$ 4.685	$ 788,888.24	2,480	143,232	14,000	56,309	33,865	249,886	$ 4.721	$ 1,237,183.96

Receipt Points & Volumes - Page 2 of 2

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States of Washington and Idaho - Calculation of Off-System Sales Margins:

NWP Received Volumes

Month of June 2003

	Date	Glen Bench 100010	Glen Bench 100010	Glen Bench 100010	Glen Bench 100010	Glen Bench 100010	Sand Springs 100010	Sand Springs 100010	Sand Springs 100010	Sand Springs 100010	Sand Springs 100010	Sand Springs 100010	Glen Bench 100010	Total S of G Receipt	S of G Gas Daily	S of G Receipt Value
1			4,472			1,534								6,006	$ 4.945	$ 29,699.67
2			4,472			1,534								6,006	$ 4.945	$ 29,699.67
3			71											71	$ 5.160	$ 366.36
4														-	$ 5.120	$ -
5														-	$ 5.180	$ -
6		7,179	1,395										1,124	9,698	$ 5.045	$ 48,926.41
7		7,179						10,000					1,124	18,303	$ 4.635	$ 84,834.41
8		7,179						10,000					1,124	18,303	$ 4.635	$ 84,834.41
9		7,179						10,000					1,124	18,303	$ 4.635	$ 84,834.41
10		7,179	3,700					10,000					1,124	22,003	$ 4.635	$ 101,983.91
11				7,179	3,700			1,841		3,153			1,124	16,997	$ 4.985	$ 84,730.05
12													1,124	1,124	$ 4.900	$ 5,507.60
13		4,240					5,108		1,022		204	1,839	1,124	13,537	$ 4.580	$ 61,999.46
14							5,108		1,022		204	1,839		8,173	$ 4.110	$ 33,591.03
15		2,179					5,108		1,022		204	1,839		10,352	$ 4.110	$ 42,546.72
16							5,108		1,022		204	1,839		8,173	$ 4.110	$ 33,591.03
17			1,588				5,108		1,022		204	1,839		9,761	$ 4.280	$ 41,777.08
18							4,278		1,532		1,022	1,839	829	9,500	$ 4.600	$ 43,700.00
19							3,294	985	1,532		1,022	1,839	828	9,500	$ 4.620	$ 43,890.00
20							2,849		1,532		2,452	1,839	2,259	10,931	$ 4.645	$ 50,774.50
21		5,895					1,354	1,495	1,532		2,452	1,839	2,259	16,826	$ 4.490	$ 75,548.74
22		7,179					2,849		1,532		2,452	1,839	2,259	18,110	$ 4.490	$ 81,313.90
23		3,589	2,076				2,849		1,532		2,452	1,839	2,259	16,596	$ 4.490	$ 74,516.04
24							2,849		1,532		2,452	1,839	2,259	10,931	$ 4.745	$ 51,867.60
25			5,361				3,257		1,124		2,452	1,839	2,158	16,191	$ 4.675	$ 75,692.93
26			4,851				2,644		1,124		3,065	1,839	2,770	16,293	$ 4.630	$ 75,436.59
27		188	4,051				2,644		1,124		3,065	1,839	2,770	15,681	$ 4.630	$ 72,603.03
28			4,341				2,849		919		3,065	1,839	2,259	15,272	$ 4.220	$ 64,447.84
29			4,341				2,849		919		3,065	1,839	2,259	15,272	$ 4.220	$ 64,447.84
30			4,341				2,849		919		3,065	1,839	2,259	15,272	$ 4.220	$ 64,447.84
31														-	$ 4.665	$ -
		59,165	45,060	7,179	3,700	3,068	62,954	44,321	21,963	3,153	33,101	33,102	36,419	353,185	$ 4.624	$1,607,609.03

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BEFORE THE WASHINGTON UTILITIES & TRANSPORTATION COMMISSION

DOCKET NO. UG-021584

EXHIBIT ____ (MED-5)

EXHIBIT ____ (MED-5)

2002 Avista Energy Weighted Average Transaction Price vs. Gas Daily

Summary Description:
An analysis of all Avista Energy's 2002 purchases and sales transactions (and combined total) is shown below by basin. These transactions equated to 9,944 total day trades during 2002.

(1) The Average lines listed below for each total (Purchases, Sales, and Total Transactions) designates the difference between Avista Energy's average transaction price compared to the public Gas Daily Index price for all transactions in each section by basin. For example, the difference during 2002 between Avista Energy's total transaction price and the Gas Daily index price at the SUMAS basin was ($0.001).

(2) The Standard Deviation is a measure of how widely values are dispersed from the average value. For example, the Standard Deviation for all transactions at Sumas is $0.032. Indicating that most transactions fall within plus or minus $0.032 of the average.

Total Transactions

	ROCKIES	KINGS	MALIN	STAN	SUMAS	
Average	**$ 0.004**	**$ (0.013)**	**$ 0.006**	**$ 0.004**	**$ (0.001)**	(1)
Stdev	$ 0.075	$ 0.093	$ 0.019	$ 0.026	$ 0.032	(2)

Purchase Transactions

	ROCKIES	KINGS	MALIN	STAN	SUMAS
Average	**$ 0.008**	**$ 0.002**	**$ (0.002)**	**$ 0.009**	**$ 0.001**
Stdev	$ 0.087	$ 0.009	$ 0.013	$ 0.049	$ 0.038

Sales Transactions

	KERN	KINGS	MALIN	NWSTA	SUMAS
Average	**$ 0.001**	**$ (0.017)**	**$ 0.009**	**$ 0.003**	**$ (0.002)**
Stdev	$ 0.081	$ 0.081	$ 0.081	$ 0.081	$ 0.081