

Important Notice for Washington Natural Gas Customers

Avista requests to increase natural gas rates by less than 1%

On Sept. 15, Avista filed a purchased gas adjustment (PGA) with the Washington Utilities and Transportation Commission (UTC) to be effective Nov. 1, 2008. The request is for an overall increase of 0.7%. The (PGA) is filed annually to reflect changes in the cost of gas purchased by Avista to serve customers.

The wholesale price for natural gas fluctuates as a result of many factors, similar to the price for crude oil. Because of the unpredictable nature of wholesale prices, Avista pre-purchases about two-thirds of the gas needed to meet customer demand for the coming winter. During this past spring, wholesale natural gas prices rose to near record levels and Avista was projecting a substantial PGA increase. Since early July, the price of natural gas has fallen considerably. Avista has pre-purchased additional gas since July and is reflecting these lower market prices in the filing for the remaining gas it will purchase throughout the coming year.

Earlier in September, Avista filed a separate gas rate adjustment with the UTC, requesting to increase natural gas rates for residential and small commercial customers by 0.3%. This rate adjustment is a pilot program approved by the UTC that allows Avista to recover a portion of its fixed costs not recovered as a result of lower natural gas usage by customers. The recovery of these fixed costs allows Avista to increase focus on energy efficiency programs and services for customers.

If the proposed increases are approved by the UTC, a residential or small commercial customer using an average of 70 therms per month can expect to see an increase of \$0.67 per month, or about 0.8 percent. The bill for 70 therms would increase from a present amount of \$85.16 to \$85.83.

You may contact the UTC at the following address: WUTC, 1300 S. Evergreen Park Drive S.W., P.O. Box 47250, Olympia, WA 98504-7250; or by e-mail at: [comments @ wutc.wa.gov](mailto:comments@wutc.wa.gov).

Ways to save on your energy bill

Avista offers a number of billing options, energy efficiency programs, incentives and rebates to help customers proactively manage their natural gas consumption. Information on Avista's energy efficiency offerings and no-cost conservation information is available at www.everylittlebit.com. In addition, Avista's Comfort Level Billing option gives customers the opportunity to smooth seasonal energy bill highs and lows by averaging energy bills over 12 months.

For more information, visit our web-site at www.avistautilities.com or call us at 1-800-227-9187.