

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of	)	DOCKET NO. UG-060518
	)	
AVISTA CORPORATION, D/B/A/	)	
AVISTA UTILITIES,	)	
	)	
For an Order Authorizing	)	
Implementation of a Natural Gas	)	
Decoupling Mechanism and to	)	
Record Accounting Entries	)	
Associated With the Mechanism	)	
_____	)	

**EXHIBIT TO JOINT REBUTTAL TESTIMONY**

**BRIAN HIRSCHKORN (AVISTA)  
JOELLE STEWARD (UTC STAFF)  
NANCY GLASER (NW ENERGY COALITION)**

**AVISTA UTILITIES**  
**Docket No. UG-060518**  
**Proposed Decoupling Mechanism**  
**Example Calculation for 2005/2006 compared to 2004 Test Year**  
**Adjusted for Actual New Customer Usage**

	2005 July	2005 August	2005 September	2005 October	2005 November	2005 December	2006 January	2006 February	2006 March	2006 April	2006 May	2006 June	Annual Total
<b>12 Months Ended June 2006 Actual</b>													
<b>Schedule 101</b>													
Schedule 101 Billed Therms	2,680,372	2,034,376	2,364,648	4,735,670	8,890,440	20,055,399	16,562,659	16,709,536	16,924,558	11,304,373	6,552,477	3,538,290	114,352,808
Deduct New Customer Usage <sup>(1)</sup>	(58,096)	(48,661)	(56,907)	(131,690)	(282,132)	(594,195)	(928,930)	(865,545)	(864,170)	(586,790)	(324,239)	(191,256)	(4,935,613)
Deduct Prior Month Unbilled Therms	(1,781,723)	(610,718)	(860,964)	(3,119,935)	(5,691,560)	(11,203,965)	(12,103,777)	(9,369,460)	(9,890,566)	(7,768,154)	(5,439,965)	(3,050,157)	(70,890,946)
Add Current Month Unbilled Therms	610,718	860,964	3,119,935	5,691,560	11,203,965	12,103,777	9,369,460	9,890,566	7,768,154	5,439,965	3,050,157	1,445,292	70,554,455
Add Weather Adjustment	519,437	315,655	(522,367)	1,033,117	(351,935)	(1,443,695)	4,139,344	(487,089)	(251,318)	518,208	581,333	707,216	4,757,907
Weather Adj Calendar Therms	1,970,706	2,551,617	4,044,345	8,208,723	13,768,778	18,917,321	19,038,766	15,878,008	13,686,658	8,904,603	4,419,762	2,449,324	113,838,611
Weather Adj Calendar Therms	1,970,706	2,551,617	4,044,345	8,208,723	13,768,778	18,917,321	19,038,766	15,878,008	13,686,658	8,904,603	4,419,762	2,449,324	113,838,611
Less Test Year Therms	1,992,669	2,626,004	3,962,139	9,013,668	14,651,772	19,133,174	20,224,840	16,383,846	14,157,246	8,557,146	4,587,478	1,965,986	117,166,118
Therm Difference	(22,163)	(74,387)	82,206	(804,946)	(782,994)	(215,853)	(1,186,074)	(515,837)	(470,588)	347,456	(167,716)	483,389	(3,327,507)
Times Current Margin Rate per Therm	\$0.20595	\$0.20595	\$0.20595	\$0.20595	\$0.20595	\$0.20595	\$0.20595	\$0.20595	\$0.20595	\$0.20595	\$0.20595	\$0.20595	\$0.20595
Deferred Rev. Excess (Shortfall)	(\$4,565)	(\$15,320)	\$16,930	(\$165,779)	(\$161,258)	(\$44,455)	(\$244,272)	(\$106,237)	(\$96,918)	\$71,559	(\$34,541)	\$99,554	(\$685,300)
Deferral Account Entry (90% Limitation)	(\$4,108)	(\$13,788)	\$15,237	(\$149,201)	(\$146,132)	(\$40,009)	(\$219,845)	(\$95,613)	(\$87,228)	\$64,403	(\$31,087)	\$89,599	(\$616,770)

(1) Per monthly reports - current month usage for new services opened since that month of the test year (2004)

**AVISTA UTILITIES**  
**Docket No. UG-060518**  
**Proposed Decoupling Mechanism**  
**Example Calculation for 2005/2006 compared to 2004 Test Year**  
**Adjusted for Actual New Customer Usage**

Unbilled Calculation		Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06
Unbilled DDH		79.3	5.0	19.6	163.4	323.5	663.6	721.1	565.5	597.1	462.7	312.9	160.8	58.8
Unbilled Factor		64.71%	64.26%	66.50%	64.10%	66.77%	69.94%	63.61%	60.83%	61.48%	60.48%	63.63%	63.31%	62.98%
<b>Sch. 101</b>	<b>2004 BaseLoad Sensitivity</b>													
Res 101	0.11	1,566,888	597,066	807,110	2,670,231	4,799,519	9,360,180	10,096,150	7,847,983	8,270,920	6,515,720	4,594,256	2,613,996	1,285,712
Com 101	0	212,108	13,451	53,065	442,914	878,736	1,816,774	1,979,582	1,499,199	1,596,355	1,234,365	833,504	429,821	157,276
Ind 101	0.424	3,026	201	789	6,790	13,305	27,011	29,046	22,299	23,292	18,049	12,206	6,341	2,244
		1,781,723	610,718	860,964	3,119,935	5,691,560	11,203,965	12,103,777	9,369,480	9,890,566	7,768,154	5,439,965	3,050,157	1,445,232

Weather Adjustment Calculation		Jun-05	Jul-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Annual Total
Normal DDH		44	42	196	554	897	1,168	1,169	916	790	557	338	149	6,820
Actual DDH		11	22	229	489	919	1,298	905	947	806	524	301	104	6,515
Normal - Actual DDH		33	20	(33)	65	(22)	(90)	264	(31)	(16)	33	37	45	305

2004 BaseLoad Sensitivity		Jun-05	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
Res 101	0.11	429,331	260,702	(431,545)	853,882	(290,809)	(1,193,000)	3,429,043	(403,001)	(208,009)	429,015	480,972	585,135	3,941,716	
Com 101	0	89,776	54,148	(89,450)	176,562	(60,231)	(247,070)	699,891	(82,879)	(42,695)	87,905	98,902	120,364	804,234	
Ind 101	0.424	1,329	806	(1,371)	2,673	(895)	(3,625)	10,410	(1,209)	(624)	1,287	1,459	1,717	11,956	
		519,437	315,655	(522,367)	1,033,117	(351,935)	(1,443,695)	4,139,344	(487,089)	(251,318)	518,208	581,333	707,216	4,757,907	

Test Year Number of Customers by Class		Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04
01 RESIDENTIAL		117,874	118,080	118,182	118,187	118,186	118,175	118,209	118,273	118,501	118,883	119,424	120,169	120,505
21 FIRM COMMERCIAL		10,668	10,647	10,737	10,714	10,698	10,735	10,742	10,804	10,873	10,896	10,909	10,996	11,025
31 FIRM MISCELLANEOUS INDI		94	93	92	92	92	93	90	95	95	98	97	96	95
80 INTERDEPARTMENT REVENUE			20	20	20	20	20	20	20	21	21	21	21	21
<b>Total 101</b>		128,636	128,840	129,031	129,013	128,996	129,023	129,061	129,192	129,490	129,888	130,451	131,281	131,646