

## “EXHIBIT A”

### Feasibility Study

Avista is involved in the production, transmission and distribution of natural gas and electricity, as well as other energy-related businesses. Avista was founded in 1889 as Washington Water Power and has been providing reliable, efficient and reasonably priced energy to customers for over 125 years.

Avista entered the natural gas business with the purchase of Spokane Natural Gas Company in 1958. In 1970, it expanded into natural gas storage with Washington Natural Gas (now Puget Sound Energy) and El Paso Natural Gas (its interest subsequently purchased by NWP) to develop the Jackson Prairie natural gas underground storage facility in Chehalis, Washington. In 1991, Avista added 63,000 customers with the acquisition of CP National Corporation’s Oregon and California properties. Avista subsequently sold the California properties and its 18,000 South Lake Tahoe customers to Southwest Gas in 2005. Avista currently provides natural gas service to approximately 334,000 customers in eastern Washington, northern Idaho and several communities in northeast and southwest Oregon.

Avista manages its natural gas operation through two operating divisions – North and South:

- The North Division covers about 26,000 square miles, primarily in eastern Washington and northern Idaho. Over 840,000 people live in Avista’s Washington/Idaho service area. It includes urban areas, farms, timberlands, and the Coeur d’Alene mining district. Spokane is the largest metropolitan area with a regional population of approximately 490,000 followed by the Lewiston, Idaho/Clarkston, Washington and Coeur d’Alene, Idaho areas. The North Division has about 73 miles of natural gas transmission pipeline and 9,100 miles in the distribution system. The North Division receives natural gas at more than 40 points along interstate pipelines and distributes it to over 235,000 customers.
  
- The South Division serves four counties in southwest Oregon and one county in northeast Oregon. The combined population of these areas is over 480,000 residents. The South Division includes urban areas, farms and timberlands. The Medford, Ashland and Grants Pass areas, located in Jackson and Josephine Counties, is the largest single area served by Avista in this division with a regional population of approximately 297,000 residents. The South Division consists of about 51 miles of natural gas transmission main and 3,745 miles of distribution pipelines. Avista receives natural gas at more than 20 points along interstate pipelines and distributes it to almost 99,000 customers.

The application seeks to amend the Company's existing Certificate of Public Convenience to include updated legal descriptions of the certificated areas and consolidated some of the certificated areas. This amendment would accomplish the needed updating of the maps on file with both the Commission and the Company. See Exhibit B-Appendices A-1 through A-24 for updated legal descriptions discovered during the review process.

The Company also seeks to expand its current natural gas service area within Adams, Asotin, Franklin, Grant, Klickitat, Lincoln, Skamania, Spokane, Stevens, and Whitman County to provide service to new areas where Avista continues to see growth due to new construction and development. No new plant will be required for these expansions. These expansions will also provide capacity for future growth and possible service to additional customers in the service area. The Company plans to utilize its Schedule 151 tariff to determine economic feasibility of expanding the distribution system into these areas. The tariff provides for any expenses the Company may incur and provides a formula for calculating the anticipated revenues and return. See Exhibit B-Appendices A-1, 2, 4, 5, 6, 10, 11, 12, 13, 15, 16, 17, 19, 20, 21, and 22 for the updated legal descriptions and the proposed expanded areas that the Company continues to see growth.