

AVISTA UTILITIES  
Washington - Gas  
Approved Decoupling Mechanism  
2007/2008 with 2007 compared to 2004 Test Year and 2008 compared to 2006 Test Year  
Adjusted for Actual New Customer Usage  
2nd Year Pilot Period July 2007 - June 2008

								New Base Rates January 1, 2008						Period to Date Total
	2007 July	2007 August	2007 September	2007 October	2007 November	2007 December	2008 January	2008 February	2008 March	2008 April	2008 May	2008 June		
<b>12 Months Ended June 2006 Actual Schedule 101</b>														
Schedule 101 Billed Therms	2,462,636	2,010,203	2,332,936	4,484,817	9,398,517	18,392,852	20,755,627	22,514,347	14,859,076				97,211,011	
<b>Deduct New Customer Usage(1)</b>	<b>(180,683)</b>	<b>(141,329)</b>	<b>(161,990)</b>	<b>(277,602)</b>	<b>(613,037)</b>	<b>(1,548,327)</b>	<b>(840,804)</b>	<b>(933,547)</b>	<b>(590,323)</b>				<b>(5,287,642)</b>	
Deduct Prior Month Unbilled Therms	(1,688,657)	(512,729)	(861,827)	(3,069,728)	(6,526,099)	(10,839,346)	(11,907,095)	(12,692,443)	(9,661,573)	(9,011,346)	-	-	(66,770,843)	
Add Current Month Unbilled Therms	512,729	861,827	3,069,728	6,526,099	10,839,346	11,778,585	12,692,443	9,661,573	9,011,346	-	-	-	64,953,676	
Add Weather Adjustment	692,582	236,742	31,659	15,894	47,991	673,724	(1,132,969)	(107,342)	(1,381,024)	-	-	-	(922,743)	
Weather Adj Calendar Therms	1,798,607	2,454,713	4,410,505	7,679,480	13,146,718	18,457,489	19,567,202	18,442,588	12,237,502	(9,011,346)	-	-	89,183,459	
Weather Adj Calendar Therms	1,798,607	2,454,713	4,410,505	7,679,480	13,146,718	18,457,489	19,567,202	18,442,588	12,237,502	(9,011,346)	-	-	89,183,459	
Less Test Year Therms	1,992,869	2,626,004	3,962,139	9,013,668	14,551,772	19,133,174	20,193,658	16,744,930	14,101,624	9,347,535	5,032,140	2,400,167	119,099,680	
Therm Difference	(194,262)	(171,291)	448,366	(1,334,188)	(1,405,054)	(675,685)	(626,456)	1,697,658	(1,864,122)				(4,125,034)	
Times Current Margin Rate per Therm (2)	0.19822	0.19822	0.19822	0.19822	0.19822	0.19822	0.21748	0.21748	0.21748	0.21748	0.21748	0.21748		
<b>Revenue Excess (Shortfall)</b>	<b>(\$38,507)</b>	<b>(\$33,953)</b>	<b>\$88,875</b>	<b>(\$264,463)</b>	<b>(\$278,510)</b>	<b>(\$133,934)</b>	<b>(\$136,242)</b>	<b>\$369,207</b>	<b>(\$405,409)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$832,936)</b>	
90% Limitation	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%		
<b>Deferred Revenue Account Entry 407328 or (407428)</b>	<b>(\$34,656)</b>	<b>(\$30,558)</b>	<b>\$79,988</b>	<b>(\$238,016)</b>	<b>(\$250,659)</b>	<b>(\$120,541)</b>	<b>(\$122,617)</b>	<b>\$332,286</b>	<b>(\$364,868)</b>				<b>(\$749,641)</b>	
Original Journal Entries	(36,007)	(31,750)	83,107											
Correction July through September	1,351	1,192	(3,119)	(576)										

(1) Per monthly reports - current month usage for new services opened since that month of the test year (2004 for July through December, 2006 for January through June)

(2) Revised Margin Rate per Therm corrected in October per agreement with Staff and Public Counsel in Docket No. UG-071863, margin rate January through June from UG-070805 is exclusive of incremental revenue related cost items.

UG-070805 Margin Rate	
Sch 101 Base Rate/therm	\$1.12076
Times: 1 minus Revenue Related Items	0.956922
Revenue prior to gross up	\$1.07248
Less: Weighted Average Gas Cost/therm	(\$0.85500)
<b>Margin Rate/therm</b>	<b>\$0.21748</b>

**2006 Test Year**

**Weather Normalization**

		<u>Jan-08</u>	<u>Feb-08</u>	<u>Mar-08</u>	<u>Apr-08</u>	<u>May-08</u>	<u>Jun-08</u>	<u>Jul-08</u>	<u>Aug-08</u>	<u>Sep-08</u>	<u>Oct-08</u>	<u>Nov-08</u>	<u>Dec-08</u>	<u>Total</u>
Normal DDH		1,169	945	790	557	338	149	44	42	196	554	897	1,168	6,849
Actual DDH		<b>1,243</b>	<b>952</b>	<b>880</b>	<b>557</b>	<b>338</b>	<b>149</b>	<b>44</b>	<b>42</b>	<b>196</b>	<b>554</b>	<b>897</b>	<b>1,168</b>	<b>7,020</b>
Degree Day Adjustment		(74)	(7)	(90)	-	-	-	-	-	-	-	-	-	(171)
	<u>Monthly</u>													
Res 101	<u>Use/DD/Cust</u>	0.101	0.101	0.101	0.090	0.090	0.090	0.000	0.000	0.000	0.090	0.090	0.101	
Com 101	<u>Use/DD/Cust</u>	0.243	0.243	0.243	0.169	0.169	0.169	0.000	0.000	0.000	0.169	0.169	0.243	
Ind 101	<u>Use/DD/Cust</u>	0.422	0.422	0.422	0.306	0.306	0.306	0.000	0.000	0.000	0.306	0.306	0.422	
<b>Sch. 101</b>														
Res 101		(927,934)	(87,884)	(1,130,678)	-	-	-	-	-	-	-	-	-	(2,146,496)
Com 101		(202,100)	(19,186)	(246,890)	-	-	-	-	-	-	-	-	-	(468,176)
Ind 101		(2,935)	(272)	(3,456)	-	-	-	-	-	-	-	-	-	(6,663)
Total 101		<b>(1,132,969)</b>	<b>(107,342)</b>	<b>(1,381,024)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,621,335)</b>

**Monthly Unbilled Calculation**

		<u>Dec-07</u>	<u>Jan-08</u>	<u>Feb-08</u>	<u>Mar-08</u>	<u>Apr-08</u>	<u>May-08</u>	<u>Jun-08</u>	<u>Jul-08</u>	<u>Aug-08</u>	<u>Sep-08</u>	<u>Oct-08</u>	<u>Nov-08</u>	<u>Dec-08</u>
Unbilled DDH		702.2	756.7	554.3	549.0	-	-	-	-	-	-	-	-	-
Unbilled Factor		61.00%	57.91%	59.90%	61.32%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	<u>06 Baseload</u>													
	<u>Monthly</u>													
Res 101	15 <u>Use/DD/Cust</u>	0.1005	0.1005	0.1005	0.0951	0.0896	0.0896	0.0448	0.0000	0.0000	0.0448	0.0896	0.0951	0.1005
Com 101	12 <u>Use/DD/Cust</u>	0.2427	0.2427	0.2427	0.2058	0.1688	0.1688	0.0844	0.0000	0.0000	0.0844	0.1688	0.2058	0.2427
Ind 101	0 <u>Use/DD/Cust</u>	0.4222	0.4222	0.4222	0.3639	0.3055	0.3055	0.1528	0.0000	0.0000	0.1528	0.3055	0.3639	0.4222
<b>Sch. 101</b>														
Res 101		9,874,335	10,520,255	8,041,622	7,634,930	-	-	-	-	-	-	-	-	-
Com 101		2,005,485	2,142,157	1,598,421	1,358,238	-	-	-	-	-	-	-	-	-
Ind 101		27,275	30,031	21,530	18,178	-	-	-	-	-	-	-	-	-
Total		<b>11,907,095</b>	<b>12,692,443</b>	<b>9,661,573</b>	<b>9,011,346</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Revenue Run Customers (Meters Billed)**

	Class	<u>Dec-05</u>	<u>Jan-06</u>	<u>Feb-06</u>	<u>Mar-06</u>	<u>Apr-06</u>	<u>May-06</u>	<u>Jun-06</u>	<u>Jul-06</u>	<u>Aug-06</u>	<u>Sep-06</u>	<u>Oct-06</u>	<u>Nov-06</u>	<u>Dec-06</u>	<u>2006 Total</u>
Residential 101	01	123,861	124,155	124,306	124,387	124,402	124,602	124,358	124,482	124,715	125,061	125,868	126,533	127,078	1,499,947
Commercial 101	21	11,283	11,239	11,279	11,289	11,260	11,225	11,247	11,226	11,300	11,291	11,323	11,388	11,474	135,541
Industrial 101	31	92	94	92	91	91	88	91	91	90	91	88	92	93	1,092
Interdepartmental 1	80		22	22	22	22	23	23	23	23	23	23	23	22	271
Total			135,510	135,699	135,789	135,775	135,938	135,719	135,822	136,128	136,466	137,302	138,036	138,667	1,636,851

GL Account Balance Accounting Period : '200801, 200802, 200803'

Ferc Acct:186328		Ferc Acct Desc:REG ASSET-DECOUPLING DEFERRED		Service:GD	Jurisdiction:WA
Accounting Period	Beginning Balance	Monthly Activity	Ending Balance		
200801	594,442.00	122,617.00	717,059.00		
200802	717,059.00	-332,286.00	384,773.00		
200803	384,773.00	364,868.00	749,641.00		
			<b>Sum: 155,199.00</b>		

GL Account Balance Accounting Period : '200801, 200802, 200803'

Ferc Acct:182328		Ferc Acct Desc:REG ASSET- DECOUPLING SURCHARG		Service:GD	Jurisdiction:WA
Accounting Period	Beginning Balance	Monthly Activity	Ending Balance		
200801	225,166.84	-55,020.22	170,146.62		
200802	170,146.62	-48,268.88	121,877.74		
200803	121,877.74	-37,507.52	84,370.22		
			<b>Sum: -140,796.62</b>		

GL Account Balance Accounting Period : '200801, 200802, 200803'

Ferc Acct:182329		Ferc Acct Desc:REG ASSET- DECOUPLING PRIOR YE		Service:GD	Jurisdiction:WA
Accounting Period	Beginning Balance	Monthly Activity	Ending Balance		
200801	0.00	0.00	0.00		
200802	0.00	0.00	0.00		
200803	0.00	0.00	0.00		
			<b>Sum: 0.00</b>		

GL Account Balance Accounting Period : '200801, 200802, 200803'

Ferc Acct:283328		Ferc Acct Desc:ADFIT DECOUPLING DEFERRED REV		Service:GD	Jurisdiction:WA
Accounting Period	Beginning Balance	Monthly Activity	Ending Balance		
200801	-286,863.15	-23,658.87	-310,522.02		
200802	-310,522.02	133,194.21	-177,327.81		
200803	-177,327.81	-114,576.17	-291,903.98		
			<b>Sum: -5,040.83</b>		

GL Account Balance Accounting Period : '200801, 200802, 200803'

Ferc Acct:407428		Ferc Acct Desc:REG CREDIT DECOUPLING DEF REV		Service:GD	Jurisdiction:WA
Accounting Period	Beginning Balance	Monthly Activity	Ending Balance		
200801	0.00	-122,617.00	-122,617.00		
200802	-122,617.00	0.00	-122,617.00		
200803	-122,617.00	-364,868.00	-487,485.00		
			<b>Sum: -487,485.00</b>		

GL Account Balance Accounting Period : '200801, 200802, 200803'

Ferc Acct:407328		Ferc Acct Desc:REG DEBIT DECOUPLING DEF REV		Service:GD	Jurisdiction:WA
Accounting Period	Beginning Balance	Monthly Activity	Ending Balance		
200801	0.00	0.00	0.00		
200802	0.00	332,286.00	332,286.00		
200803	332,286.00	0.00	332,286.00		
			<b>Sum: 332,286.00</b>		

GL Account Balance Accounting Period : '200801, 200802, 200803'

Ferc Acct:407329		Ferc Acct Desc:REG DEBIT AMT DECOUPLING SURCH		Service:GD	Jurisdiction:WA
Accounting Period	Beginning Balance	Monthly Activity	Ending Balance		
200801	0.00	57,145.81	57,145.81		
200802	57,145.81	47,502.97	104,648.78		
200803	104,648.78	38,172.24	142,821.02		
			<b>Sum: 142,821.02</b>		