

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

	2007						New Base Rates January 1, 2008						Period to Date
	July	August	September	October	November	December	2008 January	2008 February	2008 March	2008 April	2008 May	2008 June	Total
12 Months Ended June 2006 Actual													
Schedule 101													
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	13,629,159	8,714,627	4,232,714	123,787,511
Deduct New Customer Usage(1)	(180,683)	(141,329)	(161,990)	(277,602)	(613,037)	(1,548,327)	(840,804)	(933,547)	(590,323)	(544,390)	(304,416)	(134,597)	(6,271,045)
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)	(6,832,115)	(3,107,922)	(76,710,880)
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	6,832,115	3,107,922	1,731,459	76,625,172
Add Weather Adjustment	692,582	236,742	31,659	15,894	47,991	673,724	(1,132,969)	(107,342)	(1,381,024)	(1,653,998)	840,841	(354,262)	(2,090,162)
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	9,251,540	5,526,859	2,367,392	115,340,596
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	9,251,540	5,526,859	2,367,392	115,340,596
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)	(95,995)	494,719	(32,775)	(3,759,085)
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	0.21748
Revenue Excess (Shortfall)	(\$38,507)	(\$33,953)	\$88,875	(\$264,463)	(\$278,510)	(\$133,934)	(\$136,242)	\$369,207	(\$405,409)	(\$20,877)	\$107,591	(\$7,128)	(\$753,349)
90% Limitation	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Deferred Revenue Account Entry	(\$34,656)	(\$30,558)	\$79,988	(\$238,016)	(\$250,659)	(\$120,541)	(\$122,617)	\$332,286	(\$364,868)	(\$18,789)	\$96,832	(\$6,415)	(\$678,014)
407328 or (407428)	Revised Oct (2)	Revised Oct (2)	Revised Oct (2)										
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)
Margin Rate/therm	\$0.21748

**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	<u>1,243</u>	<u>952</u>	<u>880</u>	<u>683</u>	<u>274</u>	<u>176</u>	<u>44</u>	<u>42</u>	<u>196</u>	<u>554</u>	<u>897</u>	<u>1,168</u>	<u>7,109</u>
Degree Day Adjustment	(74)	(7)	(90)	(126)	64	(27)	-	-	-	-	-	-	(260)
	<u>Monthly</u>												
Res 101	<u>Use/DD/Cust(1)</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(1)</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(1)</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

Sch. 101

Res 101	(927,934)	(87,884)	(1,130,678)	(1,410,719)	717,708	(302,190)	-	-	-	-	-	-	(3,141,697)
Com 101	(202,100)	(19,186)	(246,890)	(239,770)	121,410	(51,320)	-	-	-	-	-	-	(637,856)
Ind 101	(2,935)	(272)	(3,456)	(3,509)	1,723	(752)	-	-	-	-	-	-	(9,201)
Total 101	<u>(1,132,969)</u>	<u>(107,342)</u>	<u>(1,381,024)</u>	<u>(1,653,998)</u>	<u>840,841</u>	<u>(354,262)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,788,754)</u>

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	424.2	140.1	71.2	-	-	-	-	-	-		
Unbilled Factor	61.00%	57.91%	59.90%	61.32%	64.25%	63.61%	63.30%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
	<u>06 Baseld(1) Monthly</u>														
Res 101	15	<u>DD/Cust(1)</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>DD/Cust(1)</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>DD/Cust(1)</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

Sch. 101

Res 101	9,874,335	10,520,255	8,041,622	7,634,930	5,927,235	2,753,014	1,577,451	-	-	-	-	-	-
Com 101	2,005,485	2,142,157	1,598,421	1,358,238	893,087	351,142	153,018	-	-	-	-	-	-
Ind 101	27,275	30,031	21,530	18,178	11,793	3,766	990	-	-	-	-	-	-
Total	<u>11,907,095</u>	<u>12,692,443</u>	<u>9,661,573</u>	<u>9,011,346</u>	<u>6,832,115</u>	<u>3,107,922</u>	<u>1,731,459</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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 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 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 10 31	92	94	92	91	91	88	91	91	90	91	88	92	93	1,092
Interdepartrn 80		22	22	22	22	23	23	23	23	23	23	23	22	271
Total		<u>135,510</u>	<u>135,699</u>	<u>135,789</u>	<u>135,775</u>	<u>135,938</u>	<u>135,719</u>	<u>135,822</u>	<u>136,128</u>	<u>136,466</u>	<u>137,302</u>	<u>138,036</u>	<u>138,667</u>	<u>1,636,851</u>

GL Account Balance Accounting Period : '200804, 200805, 200806'

Ferc Acct:186328	Ferc Acct Desc:REG ASSET-DECOUPLING DEFERRED	Service:GD	Jurisdiction:WA
Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
200804	749,641.00	18,789.00	768,430.00
200805	768,430.00	-96,832.00	671,598.00
200806	671,598.00	6,415.00	678,013.00
Sum: -71,628.00			

GL Account Balance Accounting Period : '200804, 200805, 200806'

Ferc Acct:182328	Ferc Acct Desc:REG ASSET- DECOUPLING SURCHARG	Service:GD	Jurisdiction:WA
Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
200804	84,370.22	-27,417.47	56,952.75
200805	56,952.75	-12,012.68	44,940.07
200806	44,940.07	-8,638.85	36,301.22
Sum: -48,069.00			

GL Account Balance Accounting Period : '200804, 200805, 200806'

Ferc Acct:182329	Ferc Acct Desc:REG ASSET- DECOUPLING PRIOR YE	Service:GD	Jurisdiction:WA
Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
200804	0.00	0.00	0.00
200805	0.00	0.00	0.00
200806	0.00	0.00	0.00
Sum: 0.00			

GL Account Balance Accounting Period : '200804, 200805, 200806'

Ferc Acct:283328	Ferc Acct Desc:ADFIT DECOUPLING DEFERRED REV	Service:GD	Jurisdiction:WA
Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
200804	-291,903.98	3,019.96	-288,884.02
200805	-288,884.02	38,095.64	-250,788.38
200806	-250,788.38	778.35	-250,010.03
Sum: 41,893.95			

GL Account Balance Accounting Period : '200804, 200805, 200806'

Ferc Acct:407428	Ferc Acct Desc:REG CREDIT DECOUPLING DEF REV	Service:GD	Jurisdiction:WA
Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
200804	-487,485.00	-18,789.00	-506,274.00
200805	-506,274.00	0.00	-506,274.00
200806	-506,274.00	-6,415.00	-512,689.00
Sum: -25,204.00			

GL Account Balance Accounting Period : '200804, 200805, 200806'

Ferc Acct:407328	Ferc Acct Desc:REG DEBIT DECOUPLING DEF REV	Service:GD	Jurisdiction:WA
Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
200804	332,286.00	0.00	332,286.00
200805	332,286.00	96,832.00	429,118.00
200806	429,118.00	0.00	429,118.00
Sum: 96,832.00			

GL Account Balance Accounting Period : '200804, 200805, 200806'

Ferc Acct:407329	Ferc Acct Desc:REG DEBIT AMT DECOUPLING SURCH	Service:GD	Jurisdiction:WA
Accounting Period	Beginning Balance	Monthly Activity	Ending Balance
200804	142,821.02	27,815.00	170,636.02
200805	170,636.02	12,299.29	182,935.31
200806	182,935.31	8,867.37	191,802.68
Sum: 48,981.66			