

Avista Corp.
1411 East Mission PO Box 3727
Spokane, Washington 99220-3727
Telephone 509-489-0500
Toll Free 800-727-9170



August 19, 2004

Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive S. W.
P.O. Box 47250
Olympia, Washington 98504-7250

Attention: Ms. Carole Washburn, Executive Secretary

TARIFF WN U-29, NATURAL GAS SERVICE

Avista Corporation hereby submits the attached filing seeking Commission authorization to increase its rates and charges for its natural gas service to natural gas customers in the state of Washington. With this filing the Company requests an overall general rate increase of 6.2% or \$8.6 million, to be implemented at the end of the general rate case proceedings.

Service of documents pertaining to this filing should be to the following Avista Corporation representatives:

David J. Meyer, Esq.
VP and Chief Counsel for
Regulatory and Governmental Affairs
Avista Corporation
PO Box 3727
1411 E. Mission Ave, MSC-13
Spokane, WA 99220-3727
david.meyer@avistacorp.com
(509) 495-4316
(509) 495-4361 (FAX)

Kelly O. Norwood
VP, State & Federal Regulation
Avista Corporation
PO Box 3727
1411 E. Mission Ave, MSC-7
Spokane, WA 99220-3727
kelly.norwood@avistacorp.com
(509) 495-4267
(509) 495-8856

Enclosed with this filing are an original and two copies of the following proposed tariff sheets formatted with the coding required by WAC 480-80-105 and three copies in legislative format as required by WAC 480-07-510:

Second Revision Sheet 101	Canceling	First Revision Sheet 101
Second Revision Sheet 111	Canceling	First Revision Sheet 111
Second Revision Sheet 112	Canceling	First Revision Sheet 112
Second Revision Sheet 121	Canceling	First Revision Sheet 121
Second Revision Sheet 122	Canceling	First Revision Sheet 122
Second Revision Sheet 131	Canceling	First Revision Sheet 131
Second Revision Sheet 132	Canceling	First Revision Sheet 132
Second Revision Sheet 146	Canceling	First Revision Sheet 146
Eighth Revision Sheet 156	Canceling	Seventh Revision Sheet 156

In support of this filing, the Company has enclosed 12 copies of its prepared direct testimony and exhibits, as well as three copies of work papers showing how test year data were adjusted. A summary document pertaining to the filing is provided as well as the financial reports and other documents required under WAC 480-07-510. Other supporting work papers and an electronic version of the filing will be provided under separate cover letters.

Three copies of a "Notice of Tariff Change" are enclosed. This notice will be posted in the Company's offices coincident with the date of this filing. Three copies of a "Notice to Customers" is also included. This notice will be provided to customers as a bill insert beginning no later than August 23, 2004.

A service list is attached, with the parties on the service list receiving a complete copy of the pre-filed testimony and exhibits.

Additional copies of this filing, supporting testimony and exhibits are available from the Company upon request. Questions regarding this filing should be directed to Don Falkner at (509) 495-4326.

Sincerely,

A handwritten signature in black ink that reads "Kelly Norwood". The signature is written in a cursive, flowing style.

Kelly Norwood
VP, State & Federal Regulation
Avista Corporation

Enclosures

c: See attached service lists

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have served Avista Corporation's Direct Testimony and Exhibits in its Washington Gas General Rate Case Filing, by mailing a copy thereof, postage prepaid to the following:

Donald T. Trotter, Senior Counsel
Attorney General of Washington
PO Box 40128
1400 S. Evergreen Park Dr. SW
Olympia, WA 98504-0128

Simon ffitch
Office of the Attorney General
Public Counsel Section
900 Fourth Avenue, Suite 2000
Seattle, WA 98164-1012

Ms. Paula Pyron
Executive Director
Northwest Industrial Gas Users
4113 Wolfberry Court
Lake Oswego, OR 97035

Dated at Spokane, Washington this 19th day of August, 2004.



Patty Olsfess
Rates Coordinator

VERIFICATION

STATE OF WASHINGTON)

:ss

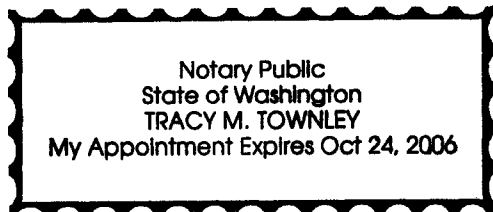
County of Spokane)

I, Kelly Norwood, being first duly sworn on oath, deposes and says: That he is the Vice President – State and Federal Regulation, at phone number (509) 495-4267, for Avista Corporation and makes this verification for and on its behalf of said corporation, being thereto duly authorized;

That he has read the foregoing testimony, knows the contents thereof, and believes the same to be true.

Kelly Norwood

SIGNED AND SWORN to before me this 19th day of August 2004, by Kelly Norwood



Tracy M. Townley
NOTARY PUBLIC in and for the State of

Washington, residing at Spokane.

Commission Expires: 10/24/06

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 101

GENERAL SERVICE - FIRM - WASHINGTON

AVAILABLE:

To Customers in the State of Washington where the Company has natural gas service available.

APPLICABLE:

To firm gas service for any purpose when all such service is supplied at one point of delivery through a single meter.

MONTHLY RATE:

\$5.50 Basic charge, plus (I)

79.119¢ per therm (I)

Minimum Charge: \$5.50 (I)

SPECIAL TERMS AND CONDITIONS:

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

Customers served at gas pressures exceeding two pounds per square inch will be required to execute a special contract for service.

The above Monthly Rate is subject to the provisions of Purchase Gas Cost Adjustment Schedule 150, Purchase Gas Cost Adjustment Schedule 156, Gas Rate Adjustment Schedule 155, Tax Adjustment Schedule 158 and Energy Efficiency Rider Adjustment Schedule 191.

Issued August 20, 2004

Effective September 20, 2004

Issued by Avista Corporation
By

Kelly Norwood
Kelly Norwood, Vice-President, Rates & Regulation

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 111

LARGE GENERAL SERVICE - FIRM - WASHINGTON

AVAILABLE:

To Customers in the State of Washington where the Company has natural gas service available.

APPLICABLE:

To firm gas service for any purpose, subject to execution of a service agreement for a term of one year or longer. All such service used on the premises shall be supplied at one point of delivery through a single meter.

MONTHLY RATE:

First	200 therms	81.864¢ per therm	(I)
Next	800 therms	73.684¢ per therm	(I)
All over	1,000 therms	67.131¢ per therm	(I)

Minimum Charge: \$134.24 plus 14.744¢ per therm, unless a higher minimum is required under contract to cover special conditions. (I)

SPECIAL TERMS AND CONDITIONS:

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

Customers served at gas pressures exceeding two pounds per square inch will be required to execute a special contract for service.

Customers who temporarily close their account will be billed for any unpaid monthly minimum charges at the time the account is reopened. This provision will apply to a Customer who has closed and reopened an account at the same address within a twelve-month period.

Customers served under this schedule who desire to change to an interruptible or transportation service schedule must provide written notice to the Company at least ninety (90) days prior to the effective date of the schedule change.

The above Monthly Rate is subject to the provisions of Purchase Gas Cost Adjustment Schedule 150, Purchase Gas Cost Adjustment Schedule 156, Gas Rate Adjustment Schedule 155, Tax Adjustment Schedule 158 and Energy Efficiency Rider Adjustment Schedule 191.

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AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 112

LARGE GENERAL SERVICE - FIRM - WASHINGTON

AVAILABLE:

To Customers in the State of Washington where the Company has natural gas service available. Customers served under this schedule must have previously been served under one of the Company's transportation schedules.

APPLICABLE:

To firm gas service for any purpose, subject to execution of a service agreement for a term of one year or longer. All such service used on the premises shall be supplied at one point of delivery through a single meter.

MONTHLY RATE:

First	200 therms	81.864¢ per therm	(I)
Next	800 therms	73.684¢ per therm	(I)
All over	1,000 therms	67.131¢ per therm	(I)

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SPECIAL TERMS AND CONDITIONS:

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

Customers served at gas pressures exceeding two pounds per square inch will be required to execute a special contract for service.

Customers who temporarily close their account will be billed for any unpaid monthly minimum charges at the time the account is reopened. This provision will apply to a Customer who has closed and reopened an account at the same address within a twelve-month period.

Customers served under this schedule who desire to change to an interruptible or transportation service schedule must provide written notice to the Company at least ninety (90) days prior to the effective date of the schedule change.

The above Monthly Rate is subject to the provisions of Purchase Gas Cost Adjustment Schedule 150, Purchase Gas Cost Adjustment Schedule 156, Gas Rate Adjustment Schedule 155, Tax Adjustment Schedule 158 and Energy Efficiency Rider Adjustment Schedule 191.

Issued August 20, 2004

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Kelly Norwood, Vice-President, Rates & Regulation

Kelly Norwood

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 121

HIGH ANNUAL LOAD FACTOR LARGE GENERAL SERVICE - FIRM - WASHINGTON

AVAILABLE:

To Customers in the State of Washington where the Company has natural gas service available and whose requirements for firm gas service exceed 60,000 therms per year.

APPLICABLE:

To firm gas service for any purpose, subject to execution of a service contract for a term of one year or longer. All such service used on the premises shall be supplied at one point of delivery and metering.

MONTHLY RATE:

First	500 therms	80.205¢ per therm	(I)
Next	500 therms	73.684¢ per therm	(I)
Next	9,000 therms	67.131¢ per therm	(I)
Next	15,000 therms	65.123¢ per therm	(I)
All over	25,000 therms	64.143¢ per therm	(I)

Minimum Charge: \$327.36 plus 14.733¢, unless a higher minimum is required under contract to cover special conditions. (I)

ANNUAL MINIMUM USE:

The annual minimum use shall be the greater of: (a) 60,000 therms, or (b) seven times the maximum therm usage for any normal billing month (27-35 days) during the preceeding November through March period (adjusted to a 30-day billing period). If a deficiency results from subtracting this annual minimum use from the Customer's total use for the preceeding November 1 through October 31 period ("annual deficiency"), the Customer will have the choice of: (1) remaining on this Schedule and paying an amount equal to the annual deficiency multiplied by the then effective third-block rate under this Schedule, or (2) transferring their account to Large General Service Schedule 111 and paying the difference between their actual bill for the period and their bill for the period had they taken service under Schedule 111.

SPECIAL TERMS AND CONDITIONS:

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

Issued August 20, 2004

Effective September 20, 2004

Issued by Avista Corporation
By

Kelly Norwood, Vice-President, Rates & Regulation

Kelly Norwood

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 122

HIGH ANNUAL LOAD FACTOR LARGE GENERAL SERVICE - FIRM - WASHINGTON

AVAILABLE:

To Customers in the State of Washington where the Company has natural gas service available and whose requirements for firm gas service exceed 60,000 therms per year. Customers served under this schedule must have previously been served under one of the Company's transportation schedules.

APPLICABLE:

To firm gas service for any purpose, subject to execution of a service contract for a term of one year or longer. All such service used on the premises shall be supplied at one point of delivery and metering.

MONTHLY RATE:

First	500 therms	80.205¢ per therm	(I)
Next	500 therms	73.684¢ per therm	(I)
Next	9,000 therms	67.131¢ per therm	(I)
Next	15,000 therms	65.123¢ per therm	(I)
All over	25,000 therms	64.143¢ per therm	(I)

Minimum Charge: \$327.36 plus 14.733¢ per therm, unless a higher minimum is required under contract to cover special conditions. (I)

ANNUAL MINIMUM USE:

The annual minimum use shall be the greater of: (a) 60,000 therms, or (b) seven times the maximum therm usage for any normal billing month (27-35 days) during the preceeding November through March period (adjusted to a 30-day billing period). If a deficiency results from subtracting this annual minimum use from the Customer's total use for the preceeding November 1 through October 31 period ("annual deficiency"), the Customer will have the choice of: (1) remaining on this Schedule and paying an amount equal to the annual deficiency multiplied by the then effective third-block rate under this Schedule, or (2) transferring their account to Large General Service Schedule 112 and paying the difference between their actual bill for the period and their bill for the period had they taken service under Schedule 112.

SPECIAL TERMS AND CONDITIONS:

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

Issued August 20, 2004

Effective September 20, 2004

Issued by Avista Corporation
By

Kelly Norwood, Vice-President, Rates & Regulation



AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 131

INTERRUPTIBLE SERVICE - WASHINGTON

AVAILABLE:

To Customers in the State of Washington whose requirements exceed 250,000 therms of gas per year and who comply with the Special Terms and Conditions set forth below, provided: (1) a volume of gas for the service requested is available to the Company for purchase; (2) the Company has access to available transportation capacity on interconnected pipelines; (3) the Company's existing distribution system has capacity, in excess of its existing requirements for firm gas service, adequate for the service requested by Customer.

APPLICABLE:

To interruptible gas service for any purpose subject to provisions of a service agreement for a term of one year or longer. All such service used on the premises shall be supplied at one point of delivery and metering.

MONTHLY RATE:

First	10,000 therms	67.633¢ per therm	(I)
Next	15,000 therms	63.559¢ per therm	(I)
Next	25,000 therms	62.559¢ per therm	(I)
All over	50,000 therms	62.359¢ per therm	(I)

ANNUAL MINIMUM:

Each Customer shall be subject to an Annual Minimum Deficiency Charge if their gas usage during the prior year did not equal or exceed 250,000 therms. Such Annual Minimum Deficiency Charge shall be determined by subtracting the Customer's actual usage for the twelve-month period ending each August from 250,000 therms multiplied by 17¢ per therm.

(I)

SPECIAL TERMS AND CONDITIONS:

1. Service under this schedule shall be subject to interruption at such times and in such amounts as, in the Company's judgment, interruption is necessary. The Company will not be liable for damages occasioned by interruption of service supplied under this schedule.

Issued August 20, 2004

Effective September 20, 2004

Issued by
By

Avista Corporation

Kelly Norwood, Vice-President, Rates & Regulation



AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 132

INTERRUPTIBLE SERVICE - WASHINGTON

AVAILABLE:

To Customers in the State of Washington whose requirements exceed 250,000 therms of gas per year and who comply with the Special Terms and Conditions set forth below, provided: (1) a volume of gas for the service requested is available to Company for purchase; (2) the Company has access to available transportation capacity on interconnected pipelines; (3) the Company's existing distribution system has capacity, in excess of its existing requirements for firm gas service, adequate for the service requested by Customer. Customers served under this schedule must have previously been served under one of the Company's transportation schedules.

APPLICABLE:

To interruptible gas service for any purpose subject to provisions of a service agreement for a term of one year or longer. All such service used on the premises shall be supplied at one point of delivery and metering.

MONTHLY RATE:

First	10,000 therms	67.633¢ per therm	(I)
Next	15,000 therms	63.559¢ per therm	(I)
Next	25,000 therms	62.559¢ per therm	(I)
All over	50,000 therms	62.359¢ per therm	(I)

ANNUAL MINIMUM:

Each Customer shall be subject to an Annual Minimum Deficiency Charge if their gas usage during the prior year did not equal or exceed 250,000 therms. Such Annual Minimum Deficiency Charge shall be determined by subtracting the Customer's actual usage for the twelve-month period ending each August from 250,000 therms multiplied by 17¢ per therm. (I)

SPECIAL TERMS AND CONDITIONS:

1. Service under this schedule shall be subject to interruption at such times and in such amounts as, in the Company's judgment, interruption is necessary. The Company will not be liable for damages occasioned by interruption of service supplied under this schedule.

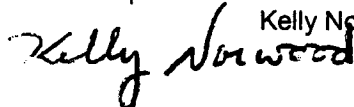
Issued August 20, 2004

Effective September 20, 2004

Issued by Avista Corporation

By

Kelly Norwood, Vice-President, Rates & Regulation



AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 146

TRANSPORTATION SERVICE FOR CUSTOMER-OWNED GAS - WASHINGTON

AVAILABLE:

To Commercial and Industrial Customers in the State of Washington whose requirements exceed 250,000 therms of gas per year provided that the Company's existing distribution system has capacity adequate for the service requested by Customer.

APPLICABLE:

To transportation service for a Customer-owned supply of natural gas. Service shall be supplied at one point of delivery and metering for use by a single customer.

MONTHLY RATE:

\$200.00 Customer Charge, plus		
First 20,000 therms	7.916¢ per therm	(I)
Next 30,000 therms	7.069¢ per therm	(I)
Next 250,000 therms	6.395¢ per therm	(I)
Next 200,000 therms	5.932¢ per therm	(I)
All over 500,000 therms	4.515¢ per therm	(I)

ANNUAL MINIMUM:

Each Customer shall be subject to an Annual Minimum Deficiency Charge if their gas usage during the prior year did not equal or exceed 250,000 therms. Such Annual Minimum Deficiency Charge shall be determined by subtracting the Customer's actual usage for the twelve-month period ending each August from 250,000 therms multiplied by 7.069¢ per therm. (I)

SPECIAL TERMS AND CONDITIONS:

1. Service hereunder shall be provided subject to execution of a contract between the Customer and the Company for a term of not less than one year. The contract shall also specify the maximum daily volume of gas to be transported.

Issued August 20, 2004

Effective September 20, 2004

Issued by Avista Corporation

By *Kelly Norwood*

Kelly Norwood, Vice-President, Rates & Regulation

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 156

PURCHASE GAS COST ADJUSTMENT - WASHINGTON

APPLICABLE:

To Customers in the State of Washington where the Company has natural gas service available.

PURPOSE:

To pass through increases or decreases in natural gas costs to become effective as noted below. Additional gas cost changes are also shown on Schedule 150. The rate adjustments shown on this Schedule and Schedule 150 must be added together to determine the net gas cost change. (N)

RATE:

- (a) The rates of gas Schedule 101 is to be increased by 0.000¢ per therm in all blocks of these rate schedules. (R)
- (b) The rates of gas Schedules 111 and 112 are to be increased by 0.000¢ per therm in all blocks. (R)
- (c) The rates of gas Schedules 121 and 122 are to be increased by 0.000¢ per therm in all blocks. (R)
- (d) The rates of interruptible Schedules 131 and 132 are to be increased by 0.000¢ per therm in all blocks. (R)
- (e) The rates of transportation Schedule 146 are to be increased by 0.000¢ per therm in all blocks. (R)

WEIGHTED AVERAGE GAS COST:

The above rate changes are based on the following weighted average cost of gas as of the effective date shown below:

	<u>Demand</u>	<u>Commodity</u>	<u>Total</u>	
Schedule 101	0.000¢	00.000¢	00.000¢	(R)
Schedule 111 & 112	0.000¢	00.000¢	00.000¢	
Schedule 121/122	0.000¢	00.000¢	00.000¢	
Schedule 131/132	0.000¢	00.000¢	00.000¢	
Schedule 146	0.000¢	00.000¢	00.000¢	

SPECIAL TERMS AND CONDITIONS:

The rates named herein are subject to increases as set forth in Tax Adjustment Schedule 158.

Issued August 20, 2003

Effective September 20, 2003

Issued by Avista Corporation

By *Kelly Norwood* Kelly Norwood

, Vice-President, Rates & Regulation

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 101

GENERAL SERVICE - FIRM - WASHINGTON

AVAILABLE:

To Customers in the State of Washington where the Company has natural gas service available.

APPLICABLE:

To firm gas service for any purpose when all such service is supplied at one point of delivery through a single meter.

MONTHLY RATE:

~~\$5.00~~ Basic charge, plus
~~59.311¢~~ per therm

Minimum Charge: ~~\$5.00~~

SPECIAL TERMS AND CONDITIONS:

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

Customers served at gas pressures exceeding two pounds per square inch will be required to execute a special contract for service.

The above Monthly Rate is subject to the provisions of Purchase Gas Cost Adjustment Schedule 150, Purchase Gas Cost Adjustment Schedule 156, Gas Rate Adjustment Schedule 155, Tax Adjustment Schedule 158 and Energy Efficiency Rider Adjustment Schedule 191.

Issued November 14, 2000

Effective December 1, 2000

Issued by Avista Corporation
By *Thomas D. Durick*

, Manager Rates & Tariff Administration

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 111

LARGE GENERAL SERVICE - FIRM - WASHINGTON

AVAILABLE:

To Customers in the State of Washington where the Company has natural gas service available.

APPLICABLE:

To firm gas service for any purpose, subject to execution of a service agreement for a term of one year or longer. All such service used on the premises shall be supplied at one point of delivery through a single meter.

MONTHLY RATE:

First	200 therms	61.810¢ per therm
Next	800 therms	56.810¢ per therm
All over	1,000 therms	50.257¢ per therm

Minimum Charge: ~~\$123.62~~, unless a higher minimum is required under contract to cover special conditions.

SPECIAL TERMS AND CONDITIONS:

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

Customers served at gas pressures exceeding two pounds per square inch will be required to execute a special contract for service.

Customers who temporarily close their account will be billed for any unpaid monthly minimum charges at the time the account is reopened. This provision will apply to a Customer who has closed and reopened an account at the same address within a twelve-month period.

Customers served under this schedule who desire to change to an interruptible or transportation service schedule must provide written notice to the Company at least ninety (90) days prior to the effective date of the schedule change.

The above Monthly Rate is subject to the provisions of Purchase Gas Cost Adjustment Schedule 150, Purchase Gas Cost Adjustment Schedule 156, Gas Rate Adjustment Schedule 155, Tax Adjustment Schedule 158 and Energy Efficiency Rider Adjustment Schedule 191.

Issued November 14, 2000

Effective December 1, 2000

Issued by Avista Corporation
By

Thomas D. Durbich

Manager Rates & Tariff Administration

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 112

LARGE GENERAL SERVICE - FIRM - WASHINGTON

AVAILABLE:

To Customers in the State of Washington where the Company has natural gas service available. Customers served under this schedule must have previously been served under one of the Company's transportation schedules.

APPLICABLE:

To firm gas service for any purpose, subject to execution of a service agreement for a term of one year or longer. All such service used on the premises shall be supplied at one point of delivery through a single meter.

MONTHLY RATE:

First	200 therms	61.810¢ per therm
Next	800 therms	56.810¢ per therm
All over	1,000 therms	50.257¢ per therm

Minimum Charge: ~~\$123.62~~, unless a higher minimum is required under contract to cover special conditions.

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Customers served at gas pressures exceeding two pounds per square inch will be required to execute a special contract for service.

Customers who temporarily close their account will be billed for any unpaid monthly minimum charges at the time the account is reopened. This provision will apply to a Customer who has closed and reopened an account at the same address within a twelve-month period.

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Issued November 14, 2000

Effective December 1, 2000

Issued by Avista Corporation
By *Thomas D. Durick*

Manager Rates & Tariff Administration

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 121

HIGH ANNUAL LOAD FACTOR LARGE GENERAL SERVICE - FIRM - WASHINGTON

AVAILABLE:

To Customers in the State of Washington where the Company has natural gas service available and whose requirements for firm gas service exceed 60,000 therms per year.

APPLICABLE:

To firm gas service for any purpose, subject to execution of a service contract for a term of one year or longer. All such service used on the premises shall be supplied at one point of delivery and metering.

MONTHLY RATE:

First	500 therms	60.342¢ per therm
Next	500 therms	56.810¢ per therm
Next	9,000 therms	50.257¢ per therm
Next	15,000 therms	47.210¢ per therm
All over	25,000 therms	46.230¢ per therm

Minimum Charge: ~~\$201.56~~, unless a higher minimum is required under contract to cover special conditions.

ANNUAL MINIMUM USE:

The annual minimum use shall be the greater of: (a) 60,000 therms, or (b) seven times the maximum therm usage for any normal billing month (27-35 days) during the preceeding November through March period (adjusted to a 30-day billing period). If a deficiency results from subtracting this annual minimum use from the Customer's total use for the preceeding November 1 through October 31 period ("annual deficiency"), the Customer will have the choice of: (1) remaining on this Schedule and paying an amount equal to the annual deficiency multiplied by the then effective third-block rate under this Schedule, or (2) transferring their account to Large General Service Schedule 111 and paying the difference between their actual bill for the period and their bill for the period had they taken service under Schedule 111.

SPECIAL TERMS AND CONDITIONS:

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

Issued November 14, 2000

Effective December 1, 2000

Issued by Avista Corporation
By

Thomas D. Durbich

, Manager Rates & Tariff Administration

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 122

HIGH ANNUAL LOAD FACTOR LARGE GENERAL SERVICE - FIRM - WASHINGTON

AVAILABLE:

To Customers in the State of Washington where the Company has natural gas service available and whose requirements for firm gas service exceed 60,000 therms per year. Customers served under this schedule must have previously been served under one of the Company's transportation schedules.

APPLICABLE:

To firm gas service for any purpose, subject to execution of a service contract for a term of one year or longer. All such service used on the premises shall be supplied at one point of delivery and metering.

MONTHLY RATE:

First	500 therms	60.312¢ per therm
Next	500 therms	56.810¢ per therm
Next	9,000 therms	50.257¢ per therm
Next	15,000 therms	47.210¢ per therm
All over	25,000 therms	46.230¢ per therm

Minimum Charge: ~~\$304.56~~, unless a higher minimum is required under contract to cover special conditions.

ANNUAL MINIMUM:

The annual minimum use shall be the greater of: (a) 60,000 therms, or (b) seven times the maximum therm usage for any normal billing month (27-35 days) during the preceeding November through March period (adjusted to a 30-day billing period). If a deficiency results from subtracting this annual minimum use from the Customer's total use for the preceeding November 1 through October 31 period ("annual deficiency"), the Customer will have the choice of: (1) remaining on this Schedule and paying an amount equal to the annual deficiency multiplied by the then effective third-block rate under this Schedule, or (2) transferring their account to Large General Service Schedule 112 and paying the difference between their actual bill for the period and their bill for the period had they taken service under Schedule 112.

SPECIAL TERMS AND CONDITIONS:

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

Issued November 14, 2000

Effective December 1, 2000

Issued by Avista Corporation
By

Thomas D. Dursich

, Manager Rates & Tariff Administration

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 131

INTERRUPTIBLE SERVICE - WASHINGTON

AVAILABLE:

To Customers in the State of Washington whose requirements exceed 250,000 therms of gas per year and who comply with the Special Terms and Conditions set forth below, provided: (1) a volume of gas for the service requested is available to the Company for purchase; (2) the Company has access to available transportation capacity on interconnected pipelines; (3) the Company's existing distribution system has capacity, in excess of its existing requirements for firm gas service, adequate for the service requested by Customer.

APPLICABLE:

To interruptible gas service for any purpose subject to provisions of a service agreement for a term of one year or longer. All such service used on the premises shall be supplied at one point of delivery and metering.

MONTHLY RATE:

First	10,000 therms	51.074¢ per therm
Next	15,000 therms	47.000¢ per therm
Next	25,000 therms	46.000¢ per therm
All over	50,000 therms	45.800¢ per therm

ANNUAL MINIMUM:

Each Customer shall be subject to an Annual Minimum Deficiency Charge if their gas usage during the prior year did not equal or exceed 250,000 therms. Such Annual Minimum Deficiency Charge shall be determined by subtracting the Customer's actual usage for the twelve-month period ending each August from 250,000 therms multiplied by ~~13¢~~ per therm.

SPECIAL TERMS AND CONDITIONS:

1. Service under this schedule shall be subject to interruption at such times and in such amounts as, in the Company's judgment, interruption is necessary. The Company will not be liable for damages occasioned by interruption of service supplied under this schedule.

Issued November 14, 2000

Effective December 1, 2000

Issued by Avista Corporation

By

Thomas D. Durick

, Manager Rates & Tariff Administration

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 132

INTERRUPTIBLE SERVICE - WASHINGTON

AVAILABLE:

To Customers in the State of Washington whose requirements exceed 250,000 therms of gas per year and who comply with the Special Terms and Conditions set forth below, provided: (1) a volume of gas for the service requested is available to Company for purchase; (2) the Company has access to available transportation capacity on interconnected pipelines; (3) the Company's existing distribution system has capacity, in excess of its existing requirements for firm gas service, adequate for the service requested by Customer. Customers served under this schedule must have previously been served under one of the Company's transportation schedules.

APPLICABLE:

To interruptible gas service for any purpose subject to provisions of a service agreement for a term of one year or longer. All such service used on the premises shall be supplied at one point of delivery and metering.

MONTHLY RATE:

First	10,000 therms	51.074¢ per therm
Next	15,000 therms	47.000¢ per therm
Next	25,000 therms	46.000¢ per therm
All over	50,000 therms	45.800¢ per therm

ANNUAL MINIMUM:

Each Customer shall be subject to an Annual Minimum Deficiency Charge if their gas usage during the prior year did not equal or exceed 250,000 therms. Such Annual Minimum Deficiency Charge shall be determined by subtracting the Customer's actual usage for the twelve-month period ending each August from 250,000 therms multiplied by ~~13¢~~ per therm.

SPECIAL TERMS AND CONDITIONS:

1. Service under this schedule shall be subject to interruption at such times and in such amounts as, in the Company's judgment, interruption is necessary. The Company will not be liable for damages occasioned by interruption of service supplied under this schedule.

Issued November 14, 2000

Effective December 1, 2000

Issued by Avista Corporation

By

Thomas D. Durbich

, Manager Rates & Tariff Administration

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 146

TRANSPORTATION SERVICE FOR CUSTOMER-OWNED GAS - WASHINGTON

AVAILABLE:

To Commercial and Industrial Customers in the State of Washington whose requirements exceed 250,000 therms of gas per year provided that the Company's existing distribution system has capacity adequate for the service requested by Customer.

APPLICABLE:

To transportation service for a Customer-owned supply of natural gas. Service shall be supplied at one point of delivery and metering for use by a single customer.

MONTHLY RATE:

\$200.00 Customer Charge, plus

First 20,000 therms	5.969¢ per therm
Next 30,000 therms	5.329¢ per therm
Next 250,000 therms	4.820¢ per therm
Next 200,000 therms	4.470¢ per therm
All over 500,000 therms	3.400¢ per therm

ANNUAL MINIMUM:

Each Customer shall be subject to an Annual Minimum Deficiency Charge if their gas usage during the prior year did not equal or exceed 250,000 therms. Such Annual Minimum Deficiency Charge shall be determined by subtracting the Customer's actual usage for the twelve-month period ending each August from 250,000 therms multiplied by ~~5.329¢~~ per therm.

SPECIAL TERMS AND CONDITIONS:

1. Service hereunder shall be provided subject to execution of a contract between the Customer and the Company for a term of not less than one year. The contract shall also specify the maximum daily volume of gas to be transported.

Issued November 14, 2000

Effective December 1, 2000

Issued by Avista Corporation
By

Thomas D. Durick

, Manager Rates & Tariff Administration

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 156

PURCHASE GAS COST ADJUSTMENT - WASHINGTON

APPLICABLE:

To Customers in the State of Washington where the Company has natural gas service available.

PURPOSE:

To pass through increases or decreases in natural gas costs to become effective as noted below.

RATE:

- (a) The rates of gas Schedule 101 is to be increased by ~~14.749~~¢ per therm in all blocks of these rate schedules.
- (b) The rates of gas Schedules 111 and 112 are to be increased by ~~14.744~~¢ per therm in all blocks.
- (c) The rates of gas Schedules 121 and 122 are to be increased by ~~14.733~~¢ per therm in all blocks.
- (d) The rates of interruptible Schedules 131 and 132 are to be increased by ~~14.700~~¢ per therm in all blocks.
- (e) The rates of transportation Schedule 146 are to be increased by ~~0.011~~¢ per therm in all blocks.

WEIGHTED AVERAGE GAS COST:

The above rate changes are based on the following weighted average cost of gas as of the effective date shown below:

	<u>Demand</u>	<u>Commodity</u>	<u>Total</u>
Schedule 101	8.172 ¢	46.298 ¢	54.470 ¢
Schedule 111 & 112	8.024 ¢	46.298 ¢	54.322 ¢
Schedule 121/122	7.751 ¢	46.298 ¢	54.049 ¢
Schedule 131/132	7.107 ¢	46.298 ¢	53.405 ¢
Schedule 146	0.199 ¢	0.000 ¢	0.199 ¢

SPECIAL TERMS AND CONDITIONS:

The rates named herein are subject to increases as set forth in Tax Adjustment Schedule 158.

Issued August 25, 2003

Effective September 11, 2003

Issued by Avista Corporation

By

Kelly Norwood

, Vice-President, Rates & Regulation

Kelly Norwood

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 101

GENERAL SERVICE - FIRM - WASHINGTON

AVAILABLE:

To Customers in the State of Washington where the Company has natural gas service available.

APPLICABLE:

To firm gas service for any purpose when all such service is supplied at one point of delivery through a single meter.

MONTHLY RATE:

\$5.50 Basic charge, plus
79.119¢ per therm

Minimum Charge: \$5.50

SPECIAL TERMS AND CONDITIONS:

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

Customers served at gas pressures exceeding two pounds per square inch will be required to execute a special contract for service.

The above Monthly Rate is subject to the provisions of Purchase Gas Cost Adjustment Schedule 150, Purchase Gas Cost Adjustment Schedule 156, Gas Rate Adjustment Schedule 155, Tax Adjustment Schedule 158 and Energy Efficiency Rider Adjustment Schedule 191.

Issued August 20, 2004

Effective September 20, 2004

Issued by Avista Corporation

By

Kelly Norwood

Kelly Norwood, Vice-President, Rates & Regulation

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 111

LARGE GENERAL SERVICE - FIRM - WASHINGTON

AVAILABLE:

To Customers in the State of Washington where the Company has natural gas service available.

APPLICABLE:

To firm gas service for any purpose, subject to execution of a service agreement for a term of one year or longer. All such service used on the premises shall be supplied at one point of delivery through a single meter.

MONTHLY RATE:

First	200 therms	<u>81.864¢</u> per therm
Next	800 therms	<u>73.684¢</u> per therm
All over	1,000 therms	<u>67.131¢</u> per therm

Minimum Charge: \$134.24 plus 14.744¢ per therm, unless a higher minimum is required under contract to cover special conditions.

SPECIAL TERMS AND CONDITIONS:

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

Customers served at gas pressures exceeding two pounds per square inch will be required to execute a special contract for service.

Customers who temporarily close their account will be billed for any unpaid monthly minimum charges at the time the account is reopened. This provision will apply to a Customer who has closed and reopened an account at the same address within a twelve-month period.

Customers served under this schedule who desire to change to an interruptible or transportation service schedule must provide written notice to the Company at least ninety (90) days prior to the effective date of the schedule change.

The above Monthly Rate is subject to the provisions of Purchase Gas Cost Adjustment Schedule 150, Purchase Gas Cost Adjustment Schedule 156, Gas Rate Adjustment Schedule 155, Tax Adjustment Schedule 158 and Energy Efficiency Rider Adjustment Schedule 191.

Issued August 20, 2004

Effective September 20, 2004

Issued by Avista Corporation

By

Kelly Norwood

Kelly Norwood, Vice-President, Rates & Regulation

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 112

LARGE GENERAL SERVICE - FIRM - WASHINGTON

AVAILABLE:

To Customers in the State of Washington where the Company has natural gas service available. Customers served under this schedule must have previously been served under one of the Company's transportation schedules.

APPLICABLE:

To firm gas service for any purpose, subject to execution of a service agreement for a term of one year or longer. All such service used on the premises shall be supplied at one point of delivery through a single meter.

MONTHLY RATE:

First	200 therms	<u>81.864¢</u> per therm
Next	800 therms	<u>73.684¢</u> per therm
All over	1,000 therms	<u>67.131¢</u> per therm

Minimum Charge: \$134.24 plus 14.744¢ per therm, unless a higher minimum is required under contract to cover special conditions.

SPECIAL TERMS AND CONDITIONS:

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

Customers served at gas pressures exceeding two pounds per square inch will be required to execute a special contract for service.

Customers who temporarily close their account will be billed for any unpaid monthly minimum charges at the time the account is reopened. This provision will apply to a Customer who has closed and reopened an account at the same address within a twelve-month period.

Customers served under this schedule who desire to change to an interruptible or transportation service schedule must provide written notice to the Company at least ninety (90) days prior to the effective date of the schedule change.

The above Monthly Rate is subject to the provisions of Purchase Gas Cost Adjustment Schedule 150, Purchase Gas Cost Adjustment Schedule 156, Gas Rate Adjustment Schedule 155, Tax Adjustment Schedule 158 and Energy Efficiency Rider Adjustment Schedule 191.

Issued August 20, 2004

Effective September 20, 2004

Issued by Avista Corporation

By

Kelly Norwood

Kelly Norwood, Vice-President, Rates & Regulation

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 121

HIGH ANNUAL LOAD FACTOR LARGE GENERAL SERVICE - FIRM - WASHINGTON

AVAILABLE:

To Customers in the State of Washington where the Company has natural gas service available and whose requirements for firm gas service exceed 60,000 therms per year.

APPLICABLE:

To firm gas service for any purpose, subject to execution of a service contract for a term of one year or longer. All such service used on the premises shall be supplied at one point of delivery and metering.

MONTHLY RATE:

First	500 therms	<u>80.205¢</u> per therm
Next	500 therms	<u>73.684¢</u> per therm
Next	9,000 therms	<u>67.131¢</u> per therm
Next	15,000 therms	<u>65.123¢</u> per therm
All over	25,000 therms	<u>64.143¢</u> per therm

Minimum Charge: \$327.36 plus 14.733¢, unless a higher minimum is required under contract to cover special conditions.

ANNUAL MINIMUM USE:

The annual minimum use shall be the greater of: (a) 60,000 therms, or (b) seven times the maximum therm usage for any normal billing month (27-35 days) during the preceeding November through March period (adjusted to a 30-day billing period). If a deficiency results from subtracting this annual minimum use from the Customer's total use for the preceeding November 1 through October 31 period ("annual deficiency"), the Customer will have the choice of: (1) remaining on this Schedule and paying an amount equal to the annual deficiency multiplied by the then effective third-block rate under this Schedule, or (2) transferring their account to Large General Service Schedule 111 and paying the difference between their actual bill for the period and their bill for the period had they taken service under Schedule 111.

SPECIAL TERMS AND CONDITIONS:

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

Issued August 20, 2004

Effective September 20, 2004

Issued by Avista Corporation

By *Kelly Norwood*

Kelly Norwood, Vice-President, Rates & Regulation

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 122

HIGH ANNUAL LOAD FACTOR LARGE GENERAL SERVICE - FIRM - WASHINGTON

AVAILABLE:

To Customers in the State of Washington where the Company has natural gas service available and whose requirements for firm gas service exceed 60,000 therms per year. Customers served under this schedule must have previously been served under one of the Company's transportation schedules.

APPLICABLE:

To firm gas service for any purpose, subject to execution of a service contract for a term of one year or longer. All such service used on the premises shall be supplied at one point of delivery and metering.

MONTHLY RATE:

First	500 therms	<u>80.205¢</u> per therm
Next	500 therms	<u>73.684¢</u> per therm
Next	9,000 therms	<u>67.131¢</u> per therm
Next	15,000 therms	<u>65.123¢</u> per therm
All over	25,000 therms	<u>64.143¢</u> per therm

Minimum Charge: \$327.36 plus 14.733¢ per therm, unless a higher minimum is required under contract to cover special conditions.

ANNUAL MINIMUM USE:

The annual minimum use shall be the greater of: (a) 60,000 therms, or (b) seven times the maximum therm usage for any normal billing month (27-35 days) during the preceeding November through March period (adjusted to a 30-day billing period). If a deficiency results from subtracting this annual minimum use from the Customer's total use for the preceeding November 1 through October 31 period ("annual deficiency"), the Customer will have the choice of: (1) remaining on this Schedule and paying an amount equal to the annual deficiency multiplied by the then effective third-block rate under this Schedule, or (2) transferring their account to Large General Service Schedule 112 and paying the difference between their actual bill for the period and their bill for the period had they taken service under Schedule 112.

SPECIAL TERMS AND CONDITIONS:

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

Issued August 20, 2004

Effective September 20, 2004

Issued by Avista Corporation

By *Kelly Norwood*

Kelly Norwood, Vice-President, Rates & Regulation

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 131

INTERRUPTIBLE SERVICE - WASHINGTON

AVAILABLE:

To Customers in the State of Washington whose requirements exceed 250,000 therms of gas per year and who comply with the Special Terms and Conditions set forth below, provided: (1) a volume of gas for the service requested is available to the Company for purchase; (2) the Company has access to available transportation capacity on interconnected pipelines; (3) the Company's existing distribution system has capacity, in excess of its existing requirements for firm gas service, adequate for the service requested by Customer.

APPLICABLE:

To interruptible gas service for any purpose subject to provisions of a service agreement for a term of one year or longer. All such service used on the premises shall be supplied at one point of delivery and metering.

MONTHLY RATE:

First	10,000 therms	<u>67.633¢</u> per therm
Next	15,000 therms	<u>63.559¢</u> per therm
Next	25,000 therms	<u>62.559¢</u> per therm
All over	50,000 therms	<u>62.359¢</u> per therm

ANNUAL MINIMUM:

Each Customer shall be subject to an Annual Minimum Deficiency Charge if their gas usage during the prior year did not equal or exceed 250,000 therms. Such Annual Minimum Deficiency Charge shall be determined by subtracting the Customer's actual usage for the twelve-month period ending each August from 250,000 therms multiplied by 17¢ per therm.

SPECIAL TERMS AND CONDITIONS:

1. Service under this schedule shall be subject to interruption at such times and in such amounts as, in the Company's judgment, interruption is necessary. The Company will not be liable for damages occasioned by interruption of service supplied under this schedule.

Issued August 20, 2004

Effective September 20, 2004

Issued by Avista Corporation

Kelly Norwood

Kelly Norwood, Vice-President, Rates & Regulation

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 132

INTERRUPTIBLE SERVICE - WASHINGTON

AVAILABLE:

To Customers in the State of Washington whose requirements exceed 250,000 therms of gas per year and who comply with the Special Terms and Conditions set forth below, provided: (1) a volume of gas for the service requested is available to Company for purchase; (2) the Company has access to available transportation capacity on interconnected pipelines; (3) the Company's existing distribution system has capacity, in excess of its existing requirements for firm gas service, adequate for the service requested by Customer. Customers served under this schedule must have previously been served under one of the Company's transportation schedules.

APPLICABLE:

To interruptible gas service for any purpose subject to provisions of a service agreement for a term of one year or longer. All such service used on the premises shall be supplied at one point of delivery and metering.

MONTHLY RATE:

First	10,000 therms	<u>67.633¢</u> per therm
Next	15,000 therms	<u>63.559¢</u> per therm
Next	25,000 therms	<u>62.559¢</u> per therm
All over	50,000 therms	<u>62.359¢</u> per therm

ANNUAL MINIMUM:

Each Customer shall be subject to an Annual Minimum Deficiency Charge if their gas usage during the prior year did not equal or exceed 250,000 therms. Such Annual Minimum Deficiency Charge shall be determined by subtracting the Customer's actual usage for the twelve-month period ending each August from 250,000 therms multiplied by 17¢ per therm.

SPECIAL TERMS AND CONDITIONS:

1. Service under this schedule shall be subject to interruption at such times and in such amounts as, in the Company's judgment, interruption is necessary. The Company will not be liable for damages occasioned by interruption of service supplied under this schedule.

Issued August 20, 2004

Effective September 20, 2004

Issued by Avista Corporation

By *Kelly Norwood*

Kelly Norwood, Vice-President, Rates & Regulation

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 146

TRANSPORTATION SERVICE FOR CUSTOMER-OWNED GAS - WASHINGTON

AVAILABLE:

To Commercial and Industrial Customers in the State of Washington whose requirements exceed 250,000 therms of gas per year provided that the Company's existing distribution system has capacity adequate for the service requested by Customer.

APPLICABLE:

To transportation service for a Customer-owned supply of natural gas. Service shall be supplied at one point of delivery and metering for use by a single customer.

MONTHLY RATE:

\$200.00 Customer Charge, plus	
First 20,000 therms	<u>7.916¢</u> per therm
Next 30,000 therms	<u>7.069¢</u> per therm
Next 250,000 therms	<u>6.395¢</u> per therm
Next 200,000 therms	<u>5.932¢</u> per therm
All over 500,000 therms	<u>4.515¢</u> per therm

ANNUAL MINIMUM:

Each Customer shall be subject to an Annual Minimum Deficiency Charge if their gas usage during the prior year did not equal or exceed 250,000 therms. Such Annual Minimum Deficiency Charge shall be determined by subtracting the Customer's actual usage for the twelve-month period ending each August from 250,000 therms multiplied by 7.069¢ per therm.

SPECIAL TERMS AND CONDITIONS:

1. Service hereunder shall be provided subject to execution of a contract between the Customer and the Company for a term of not less than one year. The contract shall also specify the maximum daily volume of gas to be transported.

Issued August 20, 2004

Effective September 20, 2004

Issued by Avista Corporation

By *Kelly Norwood*

Kelly Norwood, Vice-President, Rates & Regulation

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 156

PURCHASE GAS COST ADJUSTMENT - WASHINGTON

APPLICABLE:

To Customers in the State of Washington where the Company has natural gas service available.

PURPOSE:

To pass through increases or decreases in natural gas costs to become effective as noted below. Additional gas cost changes are also shown on Schedule 150. The rate adjustments shown on this Schedule and Schedule 150 must be added together to determine the net gas cost change.

RATE:

- (a) The rates of gas Schedule 101 is to be increased by 0.000¢ per therm in all blocks of these rate schedules.
- (b) The rates of gas Schedules 111 and 112 are to be increased by 0.000¢ per therm in all blocks.
- (c) The rates of gas Schedules 121 and 122 are to be increased by 0.000¢ per therm in all blocks.
- (d) The rates of interruptible Schedules 131 and 132 are to be increased by 0.000¢ per therm in all blocks.
- (e) The rates of transportation Schedule 146 are to be increased by 0.000¢ per therm in all blocks.

WEIGHTED AVERAGE GAS COST:

The above rate changes are based on the following weighted average cost of gas as of the effective date shown below:

	<u>Demand</u>	<u>Commodity</u>	<u>Total</u>
Schedule 101	<u>0.000¢</u>	<u>00.000¢</u>	<u>00.000¢</u>
Schedule 111 & 112	<u>0.000¢</u>	<u>00.000¢</u>	<u>00.000¢</u>
Schedule 121/122	<u>0.000¢</u>	<u>00.000¢</u>	<u>00.000¢</u>
Schedule 131/132	<u>0.000¢</u>	<u>00.000¢</u>	<u>00.000¢</u>
Schedule 146	<u>0.000¢</u>	<u>00.000¢</u>	<u>00.000¢</u>

SPECIAL TERMS AND CONDITIONS:

The rates named herein are subject to increases as set forth in Tax Adjustment Schedule 158.

Issued August 20, 2003

Effective September 20, 2003

Issued by Avista Corporation

By *Kelly Norwood*

Kelly Norwood

, Vice-President, Rates & Regulation

Avista Corporation
(d.b.a. Avista Utilities)
NOTICE OF TARIFF CHANGE
August 20, 2004
(Natural Gas Service Only)

On Aug. 20, 2004, Avista filed with the Washington Utilities and Transportation Commission (WUTC) a request to increase natural gas rates by an average of 12 percent to be effective Oct. 1, 2004. This request is a purchased gas cost adjustment (PGA) that is filed annually to reflect changes in the cost of gas purchased by Avista to serve customers. Any increases or decreases resulting from these PGA filings directly result from the cost of gas purchased in the marketplace. Avista Utilities makes no additional profits from these rate changes.

This proposed increase reflects higher wholesale natural gas prices during 2004 as compared to 2003. These higher prices are expected to continue at or near current levels through the coming winter. The market price for natural gas can fluctuate based on supply and demand, similar to the prices for commodities such as wheat or crude oil. The increase in the wholesale cost of gas during 2004 is due to factors that affect short-term supply and demand, as well as the overall increase seen in other energy prices.

If the proposed increase is approved by the WUTC, a residential or small commercial customer using an average of 78 therms per month can expect to see an average increase of \$8.06 per month, or about 12 percent. Larger commercial and industrial customers served under Schedules 111 and 121 can expect to see an average increase of 14 percent and 15.3 percent respectively. The higher increase percentages for commercial and industrial customers are due to lower base rates.

Additional Increase of 6.2 percent proposed for 2005

Also on Aug. 20, 2004, Avista filed a separate request with the WUTC to increase natural gas rates by an additional 6.2 percent to cover increases in Avista's costs associated with the delivery of natural gas to customers. This filing is a general rate request, which reflects costs associated with Avista's gas distribution system, whereas the PGA request described above reflects only changes in Avista's actual cost of purchasing the gas. The WUTC can take up to eleven months to review and rule on a general rate request, therefore, customers should not see a change in rates resulting from this request until 2005. Avista's last general increase in gas rates was in December 2000.

The proposed general increase requests additional revenue of \$8.6 million annually, an increase of 6.2 percent over current revenue. The proposed increase by customer class and rate schedule are as follows:

	<u>Sch. No.</u>	<u>Proposed Increase</u>
Residential & Small Commercial (less than 200 therms/month)	101	7.1%
Commercial & Industrial (over 200 therms/month) -	111	3.7%
Large Commercial & Industrial (over 60,000 therms/year)	121	4.4%
Large Interruptible Service (over 250,000 therms/year)	131	2.9%
Large Transportation Service (over 250,000 therms/year)	146	30.8%*

*increase does not include gas cost

The difference in the proposed increase percentages for different customer classes is based on a comparison of the cost of providing service to those customers and the present rates billed for service. The proposed monthly increase for a residential customer using an average of 78 therms per month is \$4.45 or 7.1 percent. The present and proposed rates for residential and small commercial customers served under Schedule 101 are as follows:

	<u>Present Rate</u>	<u>Proposed PGA Increase</u>	<u>Proposed Oct. 1 Rates</u>	<u>Proposed General Increase</u>	<u>Proposed General Rates (incl. PGA)</u>
Basic Charge	\$5.00/month	-----	\$5.00/month	\$0.50/month	\$5.50/month
Usage Charge	79.787¢/thm	10.325¢/thm	90.112¢/thm	5.059¢/thm	95.171¢/thm

If you have questions about the proposed filings and how they will affect you, call Avista at 1-800-227-9187.

The WUTC has the authority to set final rates that may be different from the requested increase(s) based on the results of their investigation. If you have questions about the rate making process or comments about these filings, you may contact the Washington Utilities and Transportation Commission at the following address: WUTC, 1300 S. Evergreen Park Drive S.W., P.O. Box 47250, Olympia, WA 98504-7250; call toll-free at 1-800-562-6150, or by e-mail comments at wutc.wa.gov.

If you would like to be added to the Commission's mailing list to be notified of the open (public) meeting dates, please call 1-800-562-6150 and leave your name, complete mailing address, the company's name (Avista), and a description of the proposal you are interested in.

A copy of the proposed tariff changes is available for review in any of the local business offices or can be obtained by calling (509) 482-4092 or 1-800-227-9187, or writing:

Avista Corporation
Attention: P. Olsness, MSC-29
P.O. Box 3727
Spokane, WA. 99220

August 20, 2004

Avista Proposes 12% Increase in Gas Prices effective Oct. 1

On Aug. 20, 2004, Avista filed with the Washington Utilities and Transportation Commission (WUTC) a request to increase natural gas rates by an average of 12 percent to be effective Oct. 1, 2004. This request is a purchased gas cost adjustment (PGA) that is filed annually to reflect changes in the cost of gas purchased by Avista to serve customers. Any increases or decreases resulting from these PGA filings directly result from the cost of gas purchased in the marketplace. Avista Utilities makes no additional profits from these rate changes.

[Important notice for Washington natural gas customers]

This proposed increase reflects higher wholesale natural gas prices during 2004 as compared to 2003. These higher prices are expected to continue at or near current levels through the coming winter. The market price for natural gas can fluctuate based on supply and demand, similar to the prices for commodities such as wheat or crude oil. The increase in the wholesale cost of gas during 2004 is due to factors that affect short-term supply and demand, as well as the overall increase seen in other energy prices.

If the proposed increase is approved by the WUTC, a residential or small commercial customer using an average of 78 therms per month can expect to see an average increase of \$8.06 per month, or about 12 percent. Larger commercial and industrial customers served under Schedules 111 and 121 can expect to see an average increase of 14 percent and 15.3 percent respectively. The higher increase percentages for commercial and industrial customers are due to lower base rates.

Additional increase of 6.2 percent proposed for 2005

Also on Aug. 20, 2004, Avista filed a separate request with the WUTC to increase natural gas rates by an additional 6.2 percent to cover increases in Avista's costs associated with the delivery of natural gas to customers. This filing is a general rate request, which reflects costs associated with Avista's gas distribution system, whereas the PGA request described above reflects only changes in Avista's actual cost of purchasing the gas. The WUTC can take up to eleven months to review and rule on a general rate request, therefore, customers should not see a change in rates resulting from this request until 2005. Avista's last general increase in gas rates was in December 2000.

The proposed general increase requests additional revenue of \$8.6 million annually, an increase of 6.2 percent over current revenue. The proposed increase by customer class and rate schedule are as follows:

[Continued on reverse.]



Avista Proposes 12% Increase in Gas Prices effective Oct. 1

On Aug. 20, 2004, Avista filed with the Washington Utilities and Transportation Commission (WUTC) a request to increase natural gas rates by an average of 12 percent to be effective Oct. 1, 2004. This request is a purchased gas cost adjustment (PGA) that is filed annually to reflect changes in the cost of gas purchased by Avista to serve customers. Any increases or decreases resulting from these PGA filings directly result from the cost of gas purchased in the marketplace. Avista Utilities makes no additional profits from these rate changes.

[Important notice for Washington natural gas customers]

This proposed increase reflects higher wholesale natural gas prices during 2004 as compared to 2003. These higher prices are expected to continue at or near current levels through the coming winter. The market price for natural gas can fluctuate based on supply and demand, similar to the prices for commodities such as wheat or crude oil. The increase in the wholesale cost of gas during 2004 is due to factors that affect short-term supply and demand, as well as the overall increase seen in other energy prices.

If the proposed increase is approved by the WUTC, a residential or small commercial customer using an average of 78 therms per month can expect to see an average increase of \$8.06 per month, or about 12 percent. Larger commercial and industrial customers served under Schedules 111 and 121 can expect to see an average increase of 14 percent and 15.3 percent respectively. The higher increase percentages for commercial and industrial customers are due to lower base rates.

Additional increase of 6.2 percent proposed for 2005

Also on Aug. 20, 2004, Avista filed a separate request with the WUTC to increase natural gas rates by an additional 6.2 percent to cover increases in Avista's costs associated with the delivery of natural gas to customers. This filing is a general rate request, which reflects costs associated with Avista's gas distribution system, whereas the PGA request described above reflects only changes in Avista's actual cost of purchasing the gas. The WUTC can take up to eleven months to review and rule on a general rate request, therefore, customers should not see a change in rates resulting from this request until 2005. Avista's last general increase in gas rates was in December 2000.

The proposed general increase requests additional revenue of \$8.6 million annually, an increase of 6.2 percent over current revenue. The proposed increase by customer class and rate schedule are as follows:

[Continued on reverse.]



Avista Proposes 12% Increase in Gas Prices effective Oct. 1

On Aug. 20, 2004, Avista filed with the Washington Utilities and Transportation Commission (WUTC) a request to increase natural gas rates by an average of 12 percent to be effective Oct. 1, 2004. This request is a purchased gas cost adjustment (PGA) that is filed annually to reflect changes in the cost of gas purchased by Avista to serve customers. Any increases or decreases resulting from these PGA filings directly result from the cost of gas purchased in the marketplace. Avista Utilities makes no additional profits from these rate changes.

[Important notice for Washington natural gas customers]

This proposed increase reflects higher wholesale natural gas prices during 2004 as compared to 2003. These higher prices are expected to continue at or near current levels through the coming winter. The market price for natural gas can fluctuate based on supply and demand, similar to the prices for commodities such as wheat or crude oil. The increase in the wholesale cost of gas during 2004 is due to factors that affect short-term supply and demand, as well as the overall increase seen in other energy prices.

If the proposed increase is approved by the WUTC, a residential or small commercial customer using an average of 78 therms per month can expect to see an average increase of \$8.06 per month, or about 12 percent. Larger commercial and industrial customers served under Schedules 111 and 121 can expect to see an average increase of 14 percent and 15.3 percent respectively. The higher increase percentages for commercial and industrial customers are due to lower base rates.

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