

AVISTA CORP
Summary of Requested Natural Gas General Rate Increase

Based on Rates Currently in Effect

Washington Jurisdiction

Filed August 20, 2004

1) The date and amount of the latest prior general rate increase authorized by the Commission.

Date	December 1, 2000
Amount:	\$1,799,000

2) Total general business and transportation revenues at present rates and at requested rates.

Present Rates	\$139,052,000
Requested Rates	\$147,687,000

3) Requested revenue change in percentage, in total and by major customer class.

Residential and Small Commercial	7.1%
Large General Service (Medium – Large Commercial / Industrial)	3.7%
Extra Large General Service (Large – Commercial / Industrial)	4.4%
Interruptible Service	2.9%
Transportation Service ⁽¹⁾	30.8%
Total	6.2%

(1) Proposed increase including delivered gas cost of \$5.00/decatherm is 3.0%

4) Requested revenue change in dollars, in total and by major customer class.

Residential and Small Commercial	\$6,784,000
Large General Service (Medium – Large Commercial / Industrial)	1,270,000
Extra Large General Service (Large – Commercial / Industrial)	230,000
Interruptible Service	18,000
Transportation Service	<u>333,000</u>
Total	\$8,635,000

5) Requested revenue change in dollars per month, per average customer, by customer class.

Residential and Small Commercial	\$4.47
Large General Service (Medium – Large Commercial / Industrial)	\$44.68
Extra Large General Service (Large – Commercial / Industrial)	\$528.74
Interruptible Service	\$750.00
Transportation Service	\$1,261.36

Summary continued.

6) Most current customer count by major customer class. ⁽¹⁾

Residential and Small Commercial	129,000
Large General Service (Medium – Large Commercial / Industrial)	2,300
Extra Large General Service (Large – Commercial / Industrial)	38
Interruptible Service	2
Transportation Service	<u>22</u>
Total	131,362

(1) May 31, 2004

7) Current authorized overall rate of return and authorized rate of return on common equity.

Overall rate of return	9.03%
Rate of return on common equity	11.16%

8) Requested overall rate of return and authorized rate of return on common equity.

Overall rate of return	9.86%
Rate of return on common equity	11.50%

The methodologies utilized in the derivation of the rate of return on common equity were discounted cash flow analysis, and the risk premium analysis methodology, including a capital asset pricing model.

9) Requested capital structure.

Total Long-term Debt	45.75%
Preferred Trust Securities	1.73
Preferred Stock	5.80
Common Equity	<u>46.72</u>
Total	100.00%

10) Requested total net operating income.

Net operating income	\$13,007,000
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11) Requested total rate base and method of calculation, or equivalent.

Rate base	\$131,916,000
Method of calculation is average of monthly average basis.	

12) Requested revenue effect of attrition allowance, if any requested.

Attrition allowance	None
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