

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



Corp.

August 24, 2005

Carole J. Washburn, Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Dr. SW
P. O. Box 47250
Olympia, Washington 98504-7250

Re: *Settlement Agreement filed August 12, 2005*
Docket No. UE-050482/UG-050483

Dear Ms. Washburn:

Enclosed for filing in the above-referenced docket are an original and 10 copies of the following *substitute* sheets to replace the original sheets filed as part of the Settlement Agreement:

Attachment C:

Page 3 of 4

Page 4 of 4

Attachment D:

Fourth Revision Sheet (Schedule) 101
Fourth Revision Sheet 111
Fourth Revision Sheet 112
Fourth Revision Sheet 121
Fourth Revision Sheet 122
Fourth Revision Sheet 131
Fourth Revision Sheet 132
Fourth Revision Sheet 146

These revised/substitute sheets reflect the correction of two minor errors made in the calculation of the proposed natural gas rates set forth in the Settlement Agreement filed August 12, 2005. The revised rates contained in these substitute sheets comply with the applicable provisions in Agreement (Section 14.B) and are not materially different from the rates originally filed.

If you have any questions regarding this filing, please call Brian Hirschhorn at 509-495-4723.

Sincerely,

A handwritten signature in black ink, appearing to read 'D J Meyer', with a horizontal line extending to the right.

David J. Meyer
Vice President & Chief Counsel, Avista Corporation

Enc.

Docket No. UE-050482 / UG-050483
CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have served the foregoing document upon the persons and entities listed on the Service List below, via e-mail, and by depositing a copy of said document with UPS Corporation, for overnight delivery:

Ms. Carole J. Washburn, Executive Secretary
Washington Utilities & Transportation Commission
1300 S. Evergreen Park Drive SW
P.O. Box 47250
Olympia, WA 98504-7250
E-mail: records@wutc.wa.gov

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Office of the Attorney General
Public Counsel Section
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Northwest Industrial Gas Users
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1001 SW 5th Avenue, Suite 2000
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E-mail: efinklea@chbh.com

Dated at Spokane, Washington this 24nd day of August 2005.



Brian Hirschhorn
Manager - Pricing

Avista Utilities
Washington - Gas
Docket No. UG-050483
Settlement Increase by Rate Schedule
Based on \$968,000 Revenue Increase
(000s of Dollars)

	<u>Schedule</u>	<u>Revenue</u> at Present <u>Rates</u>	<u>Less: Gas</u> <u>Costs</u>	<u>Margin</u> at Present <u>Rates</u>	<u>Percentage</u> Increase in <u>Margin</u>	<u>General</u> <u>Revenue</u> Increase	<u>Gas Cost</u> <u>Reallocate</u>	<u>Total</u> <u>Revenue</u> Increase	<u>Percentage</u> Revenue Increase <u>(Decrease)</u>
	<u>(a)</u>	<u>(b)</u>	<u>(c)</u>	<u>(d)</u>	<u>(e)</u>	<u>(f)</u>	<u>(g)</u>	<u>(h)</u>	<u>(i)</u>
Res. & Sm. Commercial	101	\$112,069	\$80,005	\$32,064	2.41%	\$773	\$130	\$903	0.8%
Lg. General Service	111/112	\$39,918	\$33,083	\$6,835	2.37%	\$162	\$2.5	\$164.5	0.4%
Extra Lg. General Service	121/122	\$6,820	\$6,058	\$762	2.37%	\$18	(\$117)	(\$99)	-1.5%
Interruptible Service	131	\$457	\$412	\$45	1.18%	\$1	(\$15.5)	(\$14.5)	-3.2%
Transportation Service	146	\$1,223	\$11	\$1,212	1.18%	\$14	-	\$14	1.2%
Special Contracts	148	\$1,620	-	\$1,620	0.00%	\$0	-	\$0	0.0%
Total		\$162,107	\$119,569	\$42,538		\$968	\$0	\$968	0.6%

AVISTA UTILITIES
WASHINGTON - GAS
DOCKET NO. UG-050483
PRESENT & PROPOSED GAS RATES
BASED ON PROPOSED SETTLEMENT AGREEMENT

General Service Schedule 101			
<u>Present Rates(1)</u>	<u>General Increase</u>	<u>Cost Reallocation(2)</u>	<u>Proposed Rates(1)</u>
(a)	(b)	(c)	(d)
\$5.50 Basic Charge	-	-	\$5.50 Basic Charge
All Therms - 88.346¢/Therm	0.660¢/Therm	0.111¢/Therm	All Therms - 89.117¢/Therm

Large General Service Schedule 111			
<u>Present Rates(1)</u>	<u>General Increase</u>	<u>Cost Reallocation(2)</u>	<u>Proposed Rates(1)</u>
1st 200 Therms - 91.086¢/Therm*	0.660¢/Therm	0.005¢/Therm	1st 200 Therms - 91.751¢/Therm*
Next 800 Therms - 84.745¢/Therm	0.286¢/Therm	0.005¢/Therm	Next 800 Therms - 85.036¢/Therm
Over 1,000 Therms - 78.192¢/Therm	0.286¢/Therm	0.005¢/Therm	Over 1,000 Therms - 78.483¢/Therm
*Minimum - \$129.81/Month plus 26.181¢/Therm	\$1.32/month 0.000¢/Therm	0.005¢/Therm	*Minimum - \$131.13/Month plus 26.186¢/Therm

Large General Service Schedule 121			
<u>Present Rates(1)</u>	<u>General Increase</u>	<u>Cost Reallocation(2)</u>	<u>Proposed Rates(1)</u>
1st 500 Therms - 89.421¢/Therm*	0.660¢/Therm	(1.309¢)/Therm	1st 500 Therms - 88.772¢/Therm*
Next 500 Therms - 84.738¢/Therm	0.293¢/Therm	(1.309¢)/Therm	Next 500 Therms - 83.722¢/Therm
Next 9,000 Therms - 78.185¢/Therm	0.293¢/Therm	(1.309¢)/Therm	Next 9,000 Therms - 77.169¢/Therm
Next 15,000 Therms - 74.170¢/Therm	0.155¢/Therm	(1.309¢)/Therm	Next 15,000 Therms - 73.016¢/Therm
Over 25,000 Therms - 73.190¢/Therm	0.000¢/Therm	(1.309¢)/Therm	Over 25,000 Therms - 71.881¢/Therm
*Minimum - \$316.29/Month plus 26.163¢/Therm	\$3.30/month 0.000¢/Therm	(1.309¢)/Therm	*Minimum - \$319.59/Month plus 24.854¢/Therm

Interruptible Service Schedule 131			
<u>Present Rates(1)</u>	<u>General Increase</u>	<u>Cost Reallocation(2)</u>	<u>Proposed Rates(1)</u>
1st 10,000 Therms - 78.432¢/Therm	0.130¢/Therm	(2.506¢)/Therm	1st 10,000 Therms - 76.056¢/Therm
Next 15,000 Therms - 74.358¢/Therm	0.130¢/Therm	(2.506¢)/Therm	Next 15,000 Therms - 71.982¢/Therm
Next 25,000 Therms - 73.358¢/Therm	0.130¢/Therm	(2.506¢)/Therm	Next 25,000 Therms - 70.982¢/Therm
Over 50,000 Therms - 73.158¢/Therm	0.000¢/Therm	(2.506¢)/Therm	Over 50,000 Therms - 70.652¢/Therm

Transportation Service Schedule 146			
<u>Present Rates(1)</u>	<u>General Increase</u>	<u>Cost Reallocation</u>	<u>Proposed Rates(1)</u>
\$200.00 Basic Charge	-	-	\$200.00 Basic Charge
1st 20,000 Therms - 6.634¢/Therm	0.082¢/Therm	-	1st 20,000 Therms - 6.716¢/Therm
Next 30,000 Therms - 5.907¢/Therm	0.073¢/Therm	-	Next 30,000 Therms - 5.980¢/Therm
Next 250,000 Therms - 5.328¢/Therm	0.066¢/Therm	-	Next 250,000 Therms - 5.394¢/Therm
Next 200,000 Therms - 4.930¢/Therm	0.061¢/Therm	-	Next 200,000 Therms - 4.991¢/Therm
Over 500,000 Therms - 3.715¢/Therm	0.046¢/Therm	-	Over 500,000 Therms - 3.761¢/Therm

(1) Rates include present Schedule 150 (PGA) rate adjustment

(2) Reallocation of pipeline demand costs as proposed by the Company & accepted by Staff

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
89.117¢ 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 24, 2005

Effective

Issued by Avista Corporation
By

Kelly Norwood, Vice-President, State & Federal 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	91.751¢ per therm
Next	800 therms	85.036¢ per therm
All over	1,000 therms	78.483¢ per therm

Minimum Charge: \$131.13 plus 26.186¢ 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.

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AVISTA CORPORATION
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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	91.751¢ per therm
Next	800 therms	85.036¢ per therm
All over	1,000 therms	78.483¢ per therm

Minimum Charge: \$131.13 plus 26.186¢ 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.

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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	88.772¢ per therm
Next	500 therms	83.722¢ per therm
Next	9,000 therms	77.169¢ per therm
Next	15,000 therms	73.016¢ per therm
All over	25,000 therms	71.881¢ per therm

Minimum Charge: \$319.59 plus 24.854¢, 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 24, 2005

Effective

Issued by Avista Corporation
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Kelly Norwood, Vice-President, State & Federal 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	88.772¢ per therm
Next	500 therms	83.722¢ per therm
Next	9,000 therms	77.169¢ per therm
Next	15,000 therms	73.016¢ per therm
All over	25,000 therms	71.881¢ per therm

Minimum Charge: \$319.59 plus 24.854¢ 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 24, 2005

Effective

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AVISTA CORPORATION
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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	76.056¢ per therm
Next	15,000 therms	71.982¢ per therm
Next	25,000 therms	70.982¢ per therm
All over	50,000 therms	70.652¢ 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 24, 2005

Effective

Issued by Avista Corporation
By

Kelly Norwood, Vice-President, State & Federal 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	76.056¢ per therm
Next	15,000 therms	71.982¢ per therm
Next	25,000 therms	70.982¢ per therm
All over	50,000 therms	70.652¢ 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 24, 2005

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Issued by Avista Corporation
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Kelly Norwood, Vice-President, State & Federal & 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	6.716¢ per therm
Next 30,000 therms	5.980¢ per therm
Next 250,000 therms	5.394¢ per therm
Next 200,000 therms	4.991¢ per therm
All over 500,000 therms	3.761¢ 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 5.980¢ 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 24, 2005

Effective

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