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October 29, 2009

State of Washington  
Washington Utilities & Transportation Commission  
1300 S. Evergreen Park Drive  
Olympia, Washington 98504-8002

Attention: Mr. David Danner, Executive Director and Secretary

**RE: Docket No. UG-091462**  
**Avista's Annual Purchased Gas Adjustment (PGA)**

Enclosed for filing with the Commission is a copy of the following substitute tariff sheet:

Substitute Twelfth Revision Sheet 155 canceling Eleventh Revision Sheet 155

The Company requests that the proposed tariff be substituted for the Twelfth Revision Sheet 155 included in the Company's PGA filing dated September 14, 2009. This tariff sheet is proposed to be effective November 1, 2009 pursuant to WAC 480-80-111.

The proposed tariff sheet reflects a one-year amortization of the deferred gas cost balance of \$24.4 million at June 30, 2009. Together with the Fifteenth Revision Sheet 156 filed on September 14, the revised PGA will result in an annual revenue decrease to the Company of \$50.1 million, or 25.9%. The monthly decrease for a residential customer using an average of 70 therms per month will be a decrease of \$20.07, or 25.3%. Also enclosed is a copy of the workpapers supporting the proposed revision.

If you have any questions regarding this filing, please call Craig Bertholf at 509-495-4124 or Brian Hirschhorn at 509-495-4723.

Sincerely,

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

Kelly O. Norwood, Vice President  
State & Federal Regulation

Enc.

Avista Utilities  
Average Increase Per Customer  
Based on Revenue Runs By Rate Schedule

Sch	Est. Ave. Mo. Usage Per Cust.	Present Rate	Total Present Cost	Proposed Rate	Total Proposed Cost	Estimated Monthly Inc <Dec>	Estimated Inc <Dec> Percentage	Sch 156 Inc <Dec>	Sch 155 Inc <Dec>	Total Sch 156 Inc <Dec>	Total Sch 155 Inc <Dec>	Total Inc <Dec>
101	70	\$1.05260	\$73.68	\$0.76581	\$53.61							
	Basic Charge	\$5.75	\$5.75		\$5.75							
			\$79.43		\$59.36	(\$20.07)	-25.27%	(\$0.32606)	\$0.03927	(\$22.82)	\$2.75	(\$20.07)
111	1,803											
	First 200	\$1.07549	\$215.10	\$0.78523	\$157.05							
	Next 800	\$0.99851	\$798.81	\$0.70825	\$566.60							
	All Over 1,000	\$0.93061	\$747.28	\$0.64035	\$514.20							
			\$1,761.19		\$1,237.85	(\$523.34)	-29.72%	(\$0.32612)	\$0.03586	(\$587.99)	\$64.65	(\$523.34)
112	26,138											
	First 200	\$1.25404	\$250.81	\$0.92792	\$185.58							
	Next 800	\$1.17706	\$941.65	\$0.85094	\$680.75							
	All Over 1,000	\$1.10916	\$27,882.06	\$0.78304	\$19,684.06							
			\$29,074.52		\$20,550.39	(\$8,524.13)	-29.32%	(\$0.32612)		(\$8,524.13)		(\$8,524.13)
121	12,185											
	First 500	\$1.06470	\$532.35	\$0.76148	\$380.74							
	Next 500	\$1.01584	\$507.92	\$0.71262	\$356.31							
	Next 9,000	\$0.94676	\$8,520.84	\$0.64354	\$5,791.86							
	Next 15,000	\$0.90337	\$1,973.86	\$0.60015	\$1,311.33							
	All Over 25,000	\$0.89151		\$0.58829								
			\$11,534.97		\$7,840.24	(\$3,694.73)	-32.03%	(\$0.32617)	\$0.02295	(\$3,974.38)	\$279.65	(\$3,694.73)
122	37,602											
	First 500	\$1.21982	\$609.91	\$0.89365	\$446.83							
	Next 500	\$1.17096	\$585.48	\$0.84479	\$422.40							
	Next 9,000	\$1.10188	\$9,916.92	\$0.77571	\$6,981.39							
	Next 15,000	\$1.05849	\$15,877.35	\$0.73232	\$10,984.80							
	All Over 25,000	\$1.04663	\$13,189.63	\$0.72046	\$9,079.24							
			\$40,179.29		\$27,914.66	(\$12,264.63)	-30.52%	(\$0.32617)		(\$12,264.63)		(\$12,264.63)
131	50,000											
	First 10,000	\$0.91819	\$9,181.90	\$0.61398	\$6,139.80							
	Next 15,000	\$0.87629	\$13,144.35	\$0.57208	\$8,581.20							
	Next 25,000	\$0.86601	\$21,650.25	\$0.56180	\$14,045.00							
	Over 50,000	\$0.86261		\$0.55840								
			\$43,976.50		\$28,766.00	(\$15,210.50)	-34.59%	(\$0.32646)	\$0.02225	(\$16,323.00)	\$1,112.50	(\$15,210.50)
132	53,616											
	First 10,000	\$1.07301	\$10,730.10	\$0.74655	\$7,465.50							
	Next 15,000	\$1.03111	\$15,466.65	\$0.70465	\$10,569.75							
	Next 25,000	\$1.02083	\$25,520.75	\$0.69437	\$17,359.25							
	Over 50,000	\$1.01743	\$3,679.03	\$0.69097	\$2,498.55							
			\$55,396.53		\$37,893.05	(\$17,503.48)	-31.60%	(\$0.32646)		(\$17,503.48)		(\$17,503.48)
146	60,482											
	First 20,000	\$0.07473	\$1,494.60	\$0.07465	\$1,493.00							
	Next 30,000	\$0.06654	\$1,996.20	\$0.06646	\$1,993.80							
	Next 250,000	\$0.06004	\$629.34	\$0.05996	\$628.50							
	Next 200,000	\$0.05556		\$0.05548								
	Over 500,000	\$0.04188		\$0.04180								
			\$4,120.14		\$4,115.30	(\$4.84)	-0.12%		(\$0.00008)		(\$4.84)	(\$4.84)

Avista Utilities  
 State of Washington  
 Calculation of Over-All Rate Change

		Annual Therms (Note 1)	Sch 156 Per Therm Inc <Dec>	Sch 156 Annual Inc <Dec>	Sch 155 Per Therm Inc <Dec>	Sch 155 Annual Inc <Dec>	Total Increase <Decrease>
Schedule 101		116,591,177	(0.32606)	(38,015,719)	\$0.03927	4,578,536	(33,437,183)
Schedule 111		47,368,743	(0.32612)	(15,447,894)	\$0.03586	1,698,643	(13,749,251)
Schedule 112		940,975	(0.32612)				
Schedule 121		3,763,742	(0.32617)	(1,227,620)	\$0.02295	86,378	(1,141,242)
Schedule 122		3,014,942	(0.32617)				
Schedule 131			(0.32646)		\$0.02225		
Schedule 132		244,019	(0.32646)	(79,662)			(79,662)
Schedule 146		24,983,340			(\$0.00008)	(1,999)	(1,999)
Spokane Co Courthouse	(Schedule 122)	486,697	(0.32617)	(158,746)		(33,081)	(191,827)
Gonzaga	(Schedule 122)	675,262	(0.32617)	(220,250)		(37,392)	(257,642)
Quarry Tile	(Schedule 122)	418,258	(0.32617)	(136,423)		(31,238)	(167,661)
Spokane Rock Products	(Schedule 146)						
Snyders Bakery	(Schedule 122)	486,116	(0.32617)	(158,556)		(39,500)	(198,056)
Spok. Comm. College	(Schedule 112)	591,791	(0.32612)	(192,995)		(32,189)	(225,184)
Spok. Falls Comm. Coll.	(Schedule 112)	349,184	(0.32612)	(113,876)		(7,301)	(121,177)
St. Lukes	(Schedule 122)	305,215	(0.32617)	(99,552)		(14,108)	(113,660)
Valley General Hospital	(Schedule 146)						
Wash. Dept of Corr.	(Schedule 122)	643,394	(0.32617)	(209,856)		(73,126)	(282,982)
Wash. Dept of Corr.	(Schedule 132)	399,441	(0.32646)	(130,402)			(130,402)
				<u>(56,191,551)</u>		<u>6,093,623</u>	<u>(50,097,928)</u>
Total Revenue (From General Rate Case UG-090135, filed 1/09 )							<u>193,394,068</u>
							<u>-25.90%</u>

Avista Utilities  
Proposed Rates  
State of Washington  
Proposed Effective Date of November 1, 2009

		Present Tariff Rate	Proposed Schedule 156	Proposed Schedule 155	Present Schedule 159	Present Schedule 191	Total Proposed Rate
Schedule 101	All Therms	\$1.13793	(\$0.27639)	(\$0.14472)	\$0.00593	\$0.04306	\$0.76581
Schedule 111	First 200	\$1.16665	(\$0.27648)	(\$0.14269)		\$0.03775	\$0.78523
	Next 800	\$1.08967	(\$0.27648)	(\$0.14269)		\$0.03775	\$0.70825
	All Over 1,000	\$1.02177	(\$0.27648)	(\$0.14269)		\$0.03775	\$0.64035
Schedule 112	First 200	\$1.16665	(\$0.27648)			\$0.03775	\$0.92792
	Next 800	\$1.08967	(\$0.27648)			\$0.03775	\$0.85094
	All Over 1,000	\$1.02177	(\$0.27648)			\$0.03775	\$0.78304
Schedule 121	First 500	\$1.13498	(\$0.27657)	(\$0.13217)		\$0.03524	\$0.76148
	Next 500	\$1.08612	(\$0.27657)	(\$0.13217)		\$0.03524	\$0.71262
	Next 9,000	\$1.01704	(\$0.27657)	(\$0.13217)		\$0.03524	\$0.64354
	Next 15,000	\$0.97365	(\$0.27657)	(\$0.13217)		\$0.03524	\$0.60015
	Over 25,000	\$0.96179	(\$0.27657)	(\$0.13217)		\$0.03524	\$0.58829
Schedule 122	First 500	\$1.13498	(\$0.27657)			\$0.03524	\$0.89365
	Next 500	\$1.08612	(\$0.27657)			\$0.03524	\$0.84479
	Next 9,000	\$1.01704	(\$0.27657)			\$0.03524	\$0.77571
	Next 15,000	\$0.97365	(\$0.27657)			\$0.03524	\$0.73232
	Over 25,000	\$0.96179	(\$0.27657)			\$0.03524	\$0.72046
Schedule 131	First 10,000	\$0.98882	(\$0.27633)	(\$0.13257)		\$0.03406	\$0.61398
	Next 15,000	\$0.94692	(\$0.27633)	(\$0.13257)		\$0.03406	\$0.57208
	Next 25,000	\$0.93664	(\$0.27633)	(\$0.13257)		\$0.03406	\$0.56180
	Over 50,000	\$0.93324	(\$0.27633)	(\$0.13257)		\$0.03406	\$0.55840
Schedule 132	First 10,000	\$0.98882	(\$0.27633)			\$0.03406	\$0.74655
	Next 15,000	\$0.94692	(\$0.27633)			\$0.03406	\$0.70465
	Next 25,000	\$0.93664	(\$0.27633)			\$0.03406	\$0.69437
	Over 50,000	\$0.93324	(\$0.27633)			\$0.03406	\$0.69097
Schedule 146	First 20,000	\$0.07465					\$0.07465
	Next 30,000	\$0.06646					\$0.06646
	Next 250,000	\$0.05996					\$0.05996
	Next 200,000	\$0.05548					\$0.05548
	Over 500,000	\$0.04180					\$0.04180

Avista Utilities  
State of Washington  
Schedule 155 - Temporary Refunds/Charges

	Amortization Acct 191000 Est. Balance At 6/30/09	Amortization Acct 191001 Est. Balance At 6/30/09	Current Deferrals (Acct 191010) At 6/30/09	Adjustments	Total
Gonzaga University	(48.41)	(73,967.72)	38,232.34		(35,783.79)
Quarry Tile	(267.55)	(28,947.42)	(679.27)		(29,894.24)
Franz Bakery (Snyder's)	(214.08)	(34,041.93)	(3,544.89)		(37,800.90)
Spokane County Courthouse	(147.39)	(41,039.04)	9,528.36		(31,658.07)
Spokane Community College	(61.73)	(69,643.40)	38,901.04		(30,804.09)
Spokane Falls Community College	(48.42)	(52,658.74)	45,720.66		(6,986.50)
St. Lukes	(166.64)	(17,335.50)	4,001.16		(13,500.98)
Wash. Dept of Corrections	(278.89)	(103,483.59)	33,782.67		(69,979.81)
All Firm Sales Customers	(2,874,256.89)	(14,172,327.60)	514,244.25	(74.74)	(16,532,414.98)
Schedule 101	198,336.79	(2,149,201.56)	585,982.66		(1,364,882.11)
Schedule 111	38,913.35	(742,508.40)	206,031.44		(497,563.61)
Schedule 121	15,382.80	(24,928.18)	12,106.20		2,560.82
Schedule 131					
Schedule 146	512.49			74.74	587.23
All Sales Customers	(3,928.48)		(5,743,913.29)		(5,747,841.77)
Total	<u>(2,626,273.05)</u>	<u>(17,510,083.08)</u>	<u>(4,259,606.67)</u>		<u>(24,395,962.80)</u>

Avista Utilities  
 Recap of Schedule 155  
 Temporary Refunds/Charges

	Deferrals By Rate Schedule	Firm Sales Customers Deferrals	All Sales Customers	Total Before Revenue Adj Factor	Revenue Adjustment Factor	Total Amort Charge <Refund>
Schedule 101	(\$0.01162)	(\$0.09417)	(\$0.03270)	(\$0.13849)	104.4953%	(\$0.14472)
Schedule 111	(\$0.00968)	(\$0.09417)	(\$0.03270)	(\$0.13655)	104.4953%	(\$0.14269)
Schedule 112					104.4953%	
Schedule 121	\$0.00039	(\$0.09417)	(\$0.03270)	(\$0.12648)	104.4953%	(\$0.13217)
Schedule 122					104.4953%	
Schedule 131		(\$0.09417)	(\$0.03270)	(\$0.12687)	104.4953%	(\$0.13257)
Schedule 132					104.4953%	
Schedule 146					104.4953%	
Additional Large Customer Amortization Rates (Note 1)						
Spokane Co Courthouse					104.4953%	
Gonzaga					104.4953%	
Quarry Tile					104.4953%	
Snyders Bakery					104.4953%	
Spok. Comm. College					104.4953%	
Spok. Falls Comm. Coll.					104.4953%	
St. Lukes					104.4953%	
Wash. Dept of Corr.					104.4953%	

Note 1 - At the Company's option these customers may elect to amortize their deferral balance over 12 months in lieu of a lump-sum charge or <refund>

Avista Utilities  
 Schedule 155 - Temporary Refunds/Charges  
 (After Revenue Adjustment Factor)

	Current Amortization Rates	Proposed Amortization Rates	Increase <Decrease>
Schedule 101	(\$0.18399)	(\$0.14472)	\$0.03927
Schedule 111	(\$0.17855)	(\$0.14269)	\$0.03586
Schedule 112			
Schedule 121	(\$0.15512)	(\$0.13217)	\$0.02295
Schedule 122			
Schedule 131	(\$0.15482)	(\$0.13257)	\$0.02225
Schedule 132			
Schedule 146	\$0.00008		(\$0.00008)
Spokane Co Courthouse			
Gonzaga			
Spokane Rock Products			
Quarry Tile			
Snyders Bakery			
Spok. Comm. College			
Spok. Falls Comm. Coll.			
St. Lukes			
Wash. Dept of Corr.			