

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION OF )  
AVISTA UTILITIES, A UNIT OF AVISTA )  
CORPORATION, FOR AUTHORITY TO )  
INCREASE ITS RATES FOR NATURAL GAS )  
SERVICE. )**

**CASE NO. AVU-G-03-1**

**NOTICE OF APPLICATION**

**NOTICE OF PUBLIC  
WORKSHOPS**

**NOTICE OF MODIFIED  
PROCEDURE**

**NOTICE OF COMMENT  
DEADLINE**

**ORDER NO. 29325**

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On August 5, 2003, Avista Utilities, a unit of Avista Corporation (Avista; Company), filed its annual Purchased Gas Cost Adjustment (PGA) Application with the Commission for authority to place into effect new rate schedules that will result in an overall increase of approximately \$1.2 million or 2.4% in revenues. The Company supplies natural gas service to approximately 59,500 customers in northern Idaho. The Company has requested an effective date of September 15, 2003 for its proposed rate schedules.

In this Order the Commission suspends Avista's Application, schedules public workshops and orders the Company's Application be processed by Modified Procedure under the Commission's Rules of Procedure. IDAPA 31.01.01.201-.204.

**THE APPLICATION**

YOU ARE HEREBY NOTIFIED that Avista seeks with this Application to pass through to each of its customer classes the change in gas-related costs resulting from: (1) an increase in the Company's weighted average cost of gas (WACOG), and 2) the proposed recovery of the previous timing differences accumulated in the Company's gas deferral account over a 12-month period.

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YOU ARE FURTHER NOTIFIED that the Company proposes that if it is agreeable to large transportation and interruptible customers that they be given an option of receiving/paying a portion of the deferred gas costs either through a lump sum credit/charge or through an amortization rate.

YOU ARE FURTHER NOTIFIED that the Company's Application represents that should the Commission approve this proposed increase the average increase for all customer rates would be 2.5%. Specifically, the Company states that residential and small business customers served under Schedule 101 using an average of 70 therms per month can expect to see an average increase of \$1.39 per month or about 2.5%. Larger commercial customers served under Schedules 111 and 121 would expect to see an average increase of 2.8% and 3%, respectively, with the higher increase percentages due to the lower base rates. The following tables represent Avista's proposed changes in rates per customer class.

Schedule	Customer Class	Number of Customers	Present Rate Per Therm	Proposed Rate Per Therm	Estimated Monthly Increase	Estimated Percentage Increase
101	General Service	58,908	0.7572	0.7772	\$1.39	2.63% <sup>1</sup>
111	Large General Service	577	0.7192	0.7392	\$34.77	2.77%
112	Large General Service	1	0.5634	0.6625	\$1,045.46	17.61%
121	High Load Factor Service	8	0.6598	0.6797	\$425.28	3.02%
132	Interruptible Service	2	0.4560	0.5602	\$2,718.11	22.84%

YOU ARE FURTHER NOTIFIED that the total incremental revenue requested by Avista during the 2003-2004 PGA period is 1.2 million or 2.4%.

YOU ARE FURTHER NOTIFIED that Avista proposes to allocate the change in rates to each of its customer classes in accordance with its Purchased Gas Cost Adjustment mechanism.

YOU ARE FURTHER NOTIFIED that the Company's Application to increase its rates is merely a proposal subject to public review and Commission approval.

<sup>1</sup> This percentage increase is higher than the change shown in the Company's Application because it does not include the fixed monthly service charge of \$3.28.

YOU ARE FURTHER NOTIFIED that the Commission suspends the effective date of the Company's Application for sixty (60) days or until the Commission issues an Order approving, rejecting or modifying it, whichever date is earlier.

YOU ARE FURTHER NOTIFIED that the Commission has jurisdiction over this matter and Avista, a gas utility, pursuant to the authority and power granted under Title 61 of the Idaho Code and the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

### **PUBLIC WORKSHOPS AND HEARINGS**

YOU ARE HEREBY NOTIFIED that the Commission has scheduled **public workshops** in this matter in:

**Lewiston, Idaho, Monday, September 8, 2003**, at the Nez Perce County Commission Brammer Building, 1225 Idaho Street. The public workshop will begin at 7:00 p.m. PDT.

**Coeur d'Alene, Idaho, Tuesday, September 9, 2003**, at the Student Union Building of North Idaho College, 1000 W. Garden Avenue. The public workshop will begin at 7:00 p.m. PDT.

The public workshops will offer the public an opportunity to meet with the Commission Staff, ask questions and receive information.

YOU ARE FURTHER NOTIFIED that all hearings will be conducted pursuant to the Rules of Procedure adopted by the Idaho Public Utilities Commission. IDAPA 31.01.01.000 *et seq.*

YOU ARE FURTHER NOTIFIED that all workshops and hearings in this matter will be held in facilities meeting the accessibility requirements of the Americans with Disabilities Act. In order to participate, persons needing the help of a sign language interpreter or other assistance may ask the Commission to provide a sign language interpreter or other assistance as required under the Americans with Disabilities Act. The request for assistance must be received at least five (5) working days before the hearing by contacting the Commission Secretary at:

IDAHO PUBLIC UTILITIES COMMISSION  
PO BOX 83720  
BOISE, ID 83720-0074  
(208) 334-0338 (TELEPHONE)  
(208) 334-3762 (FAX)  
E-mail: [secretary@puc.state.id.us](mailto:secretary@puc.state.id.us)

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**NOTICE OF MODIFIED PROCEDURE/COMMENT DEADLINES**

YOU ARE FURTHER NOTIFIED that Avista requests that its Application be processed under **Modified Procedure**, i.e., by written submission rather than by hearing. See Commission Rules of Procedure, IDAPA 31.01.01.201-204.

YOU ARE FURTHER NOTIFIED that in addition to the public workshops and hearings, the Commission solicits written comments regarding the requested rate increase. Any person desiring to state a position on Avista's proposed rate increase may file a **written comment** with the Commission no later than **September 15, 2003**. See IDAPA 31.01.01.202.

YOU ARE FURTHER NOTIFIED that Avista may file reply comments no later than **September 19, 2003**.

YOU ARE FURTHER NOTIFIED that written comments concerning this Application must be mailed to the Idaho Public Utilities Commission and Avista at the following addresses:

COMMISSION SECRETARY  
IDAHO PUBLIC UTILITIES COMMISSION  
PO BOX 83720  
BOISE, IDAHO 83720-0074

Street Address for Express Mail:

472 W WASHINGTON ST  
BOISE, ID 83702-5983

KELLY O. NORWOOD  
DAVID J. MEYER  
AVISTA UTILITIES  
P.O. BOX 3727  
SPOKANE, WA 99220-3727  
E-mail: [kelly.norwood@avistacorp.com](mailto:kelly.norwood@avistacorp.com)  
[david.meyer@avistacorp.com](mailto:david.meyer@avistacorp.com)

These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at [www.puc.state.id.us](http://www.puc.state.id.us). Click the "Comments and Questions" icon, and complete the comment form, using the case number as it appears on the front of this document. These comments must also be sent to the Applicant at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that the Application in Case No. AVU-G-03-1 together with accompanying exhibits and workpapers can be reviewed at the Commission's office and at the principal office of Avista during regular business hours. The Application and

testimonies (excluding exhibits) are also available on the Commission's Website at [www.puc.state.id.us](http://www.puc.state.id.us) under the "File Room" icon.

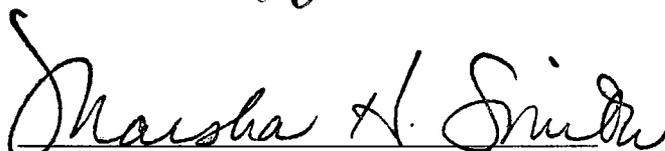
**ORDER**

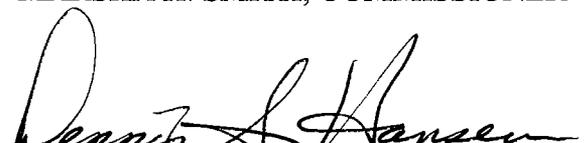
IT IS HEREBY ORDERED that the foregoing schedule be adopted.

IT IS FURTHER ORDERED that Avista's Application is suspended for a period of sixty (60) days or until the Commission approves, rejects or modifies it by Order, whichever date is earlier.

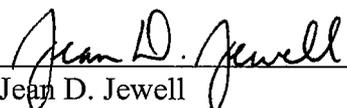
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 20<sup>th</sup> day of August 2003.

  
PAUL KJELLANDER, PRESIDENT

  
MARSHA H. SMITH, COMMISSIONER

  
DENNIS S. HANSEN, COMMISSIONER

ATTEST:

  
Jean D. Jewell  
Commission Secretary

O:AVUG0301\_jh

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