BEFORE THE

IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF AVISTA CORPORATION FOR AUTHORITY TO INCREASE ITS RATES AND CHARGES FOR ELECTRIC AND NATURAL GAS SERVICE TO ELECTRIC AND NATURAL GAS CUSTOMERS IN THE STATE OF IDAHO.	)	**CASE NO. AVU-E-04-1/ AVU-G-04-1**

DIRECT TESTIMONY OF DAVID SCHUNKE

IDAHO PUBLIC UTILITIES COMMISSION

JUNE 21, 2004

Q. Please state your name and business address for the record.

A. My name is David Schunke and my business address is 472 West Washington Street, Boise, Idaho.

Q. By whom are you employed and in what capacity?

A. I am employed by the Idaho Public Utilities Commission as a Public Utilities Engineer.

Q. What is your educational and experience background?

A. I received my Bachelor of Science Degree in Civil Engineering at Montana State University in 1972. I have been licensed as a Registered Professional Engineer in Idaho since 1977. I have worked in various capacities, including a Cost and Materials Engineer with Morrison Knudsen Co., Inc. and a consulting engineer with Stevens, Thompson & Runyan (STRAAM Engineers). As a consultant, I worked as Project Engineer on numerous civil engineering projects in Idaho and Oregon for more than six years.

Since joining the Commission Staff as a Utilities Engineer in 1979, I have been continuously involved in rate design and regulatory matters with virtually all the water, gas and electric utilities regulated by the Commission. I served as the Engineering Section Supervisor from 1983 to 1991, Utilities Division

Deputy Administrator from 1991 through 2000 and Engineer Manager from 2001 to present.

INTRODUCTION AND SUMMARY

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to describe Staff's rate design proposal for electric and natural gas tariff customers.

Q. How is your testimony organized?

A. My testimony consists of a summary of my recommendations for both electric and natural gas service followed by:

(a) A general discussion of my rate design objectives for **electric** service.

(b) An explanation of how Staff proposes to distribute the revenue requirement to the electric customer classes, and

(c) Based on the resulting revenue requirement for the various customer classes, I then provide specific rate design proposals for each electric customer class.

(d) A general discussion of my rate design objectives for **natural gas** service.

(e) An explanation of how Staff proposes to distribute the revenue requirement to the customer classes, and

(f) Based on the resulting revenue requirement for the various customer classes, I then provide specific rate design proposals for each natural gas customer class.

Q. Please summarize your testimony.

A. I am making recommendations for the electric and natural gas tariff rates. These rate proposals are based on the Staff proposed overall revenue increase in Base Rates for electric service of $23 million or 15.8%, and an overall increase of $3.1 million (6.0%) for natural gas service. These rate proposals are also based on the cost of service results discussed by Mr. Hessing (electric) and Mr. Fuss (natural gas). The recommended increases would move all customer classes closer to cost of service. Recommended percentage increases for each of the electric service schedules are shown in Staff Exhibit No. 143. They are as follows:

Residential Service Schedule 1 -	18.8%
General Service Schedules 11 and 12 -	11.4%
Large General Service Schedules 21 and 22 -	12.9%
Extra Large General Service Schedule 25 -	20.0%
Potlatch (Lewiston) Schedule 25 -	14.9%
Pumping Service Schedules 31 and 32 -	13.5%
Street and Area Lighting Schedules 41-49 -	17.2%

I am recommending no increase in the basic

charge or the minimum charge for Residential Schedule 1. While I am opposed to the Company's proposal for declining blocks for Schedules 11, 21 and 25, I am recommending that the Company's proposal be accepted for this case with the requirement that additional information be gathered by the next general rate case so the Company can provide a proposal to:

(1) divide Schedule 11 into two separate schedules, one demand metered and the other not demand metered;

(2) eliminate the declining block rates in Schedule 11;

(3) provide a proposal to eliminate the declining block rates in Schedules 21 and 25, and

(4) implement time-of-use (TOU) rates wherever they are practical.

Changes in revenue for the natural gas service schedules are shown in Staff Exhibit No. 146. The percentage increases for each schedule are as follows:

Residential Schedule 101 - 6.97%

Large General Service Schedule 111 - 2.78%

Large General Service High Load Factor Schedule 121 - 1.86%

Interruptible Service Schedule 131 - 1.45%

Transportation Service Schedule 146 - 6.94%

Special Contracts - 0.0%

The proposed increase for Transportation Service Schedule 146 excludes gas costs. If gas costs were included the resulting increase would be approximately 1.5%.

RATE DESIGN OBJECTIVES

Q. What are Staff's rate design objectives?

A. The utility industry and this Commission have had a long history of pricing power differently to customers with different load and usage characteristics. Residential customer rates differ from those of commercial and industrial customer rates because the cost of providing service differs depending on the characteristics of the end use. Large loads with high-load factors (constant use) tend to be less costly per kWh to serve than smaller loads with large fluctuations. Time-of-use is also a major factor in determining the cost of service. These differences are generally addressed by grouping customers with similar end-use characteristics together. They form a rate class such as residential, commercial, pumping, industrial or lighting. The cost of providing service to the various customer classes has been addressed in the cost of service (COS) studies discussed by Staff witnesses Hessing and Fuss. The first objective in rate design is to set rates that are more closely aligned to the cost of providing service.

It is also an objective to keep rates reasonable by balancing the cost of service goals with the goals for simplicity, for minimizing rate shock, and for promoting conservation - especially during high cost periods.

The Company was not able to provide the data necessary to divide Schedule 11 and 21 into multiple schedules. Therefore several of my recommendations are directed at the Company's next rate filling when these issues can be more fully addressed with adequate data.

CUSTOMER CLASS REVENUE ALLOCATION - ELECTRIC

Q. What cost of service study is Staff's electric rate design proposal based on?

A. Staff witness Hessing has reviewed the Company's cost of service (COS) analyses, which he discusses in his testimony. This is the COS methodology that Staff believes is most appropriate and is the one Staff has based its electric rate design analysis on.

Q. Does Staff's rate design proposal strictly follow the COS results?

A. No. Staff witness Hessing proposes only an incremental move toward full cost of service in recognition of the fact that cost of service results are not precise and unacceptably large increases to some classes would occur. Staff's proposal for the revenue

requirement increase for each rate class is comprised of two parts. First, 20% of the increase dictated by cost of service, is added to each class. The remainder of the necessary revenue requirement increase is spread to each rate class on a uniform percentage. These two adjustments shown in Column 5 and 6 of Staff Exhibit No. 143 are added to the Current Base Revenue to arrive at the Staff-Proposed Base Revenue shown in Column 7 of Staff Exhibit No. 143. These are the amounts that Staff used in its rate design proposals and each class is moved 20% closer to COS.

Q. Why is the Staff proposal based on a move to cost of service of only 20%?

A. One of my objectives in rate design is to set rates that are more closely aligned to the cost of providing service. However, it is also an objective to keep rates reasonable by balancing the cost of service goals with the goals for simplicity, for minimizing rate shock, and for promoting conservation. I believe that a 20% move to COS balances these objectives to achieve reasonable rates for all customer classes.

In the last general rate case for Avista both the Company and Staff recommended a 1/3 move to cost of service for all customer classes. The Commission approved a 20% move the first year and an additional 15% move the

following year in order to accomplish the one-third move proposed by the Company. In that order, the Commission found:

> Cost-of-service, however, is only one of many factors to be considered by this Commission in tariff design;

Order No. 28097 at 27

> Important interests in rate stability and continuity preclude adopting the extremely large double digit shifts in revenues from one class to another that were requested. In addition, we recognized that the results of cost-of-service studies are not so precise that the determination of appropriate revenue shifts is an exact certainty.

Order No. 28097 at 30

In the recent Idaho Power general rate case the Commission approved a 13.95% increase to the irrigation class, which also represented a 20% move to COS. In that order the Commission stated:

> we find that the revenue requirement assigned to the irrigation class should be less than indicated by the cost of service study. The Commission has often stated that consideration such as rate stability and proportionality justify limiting the amount of the rate increase to any class of customers.

Order 29505 at 50

Staff believes that circumstances in this case also justify limiting the COS adjustment, and we believe that a 20% move to COS is reasonable. Moving the residential

class to full COS would require a rate increase of 30.7%.

Q. Comparing the 20% Year 1 move to COS in the last Avista general rate case and the 20% move being proposed here, what is the magnitude of the increase proposed in this case for Residential Schedule 1 and Schedule 25 as compared to the increases in the last Avista general rate case?

A. In the last Avista general rate case, a 20% move to COS resulted in increases to Residential Schedule 1 and Schedule 25 of 9.5% and 10%, respectively. In this case, a 20% move to COS results in an 18.8% increase to Residential Schedule 1 and a 20% increase to Schedule 25. By further comparison, in the last Idaho Power Company general rate case, a 20% move to COS for the irrigation Schedule 24 resulted in a 13.95% increase to irrigators. The impact of a 20% move to COS in this case is considerably greater than in the two cases cited.

Q. Are you recommending a second step adjustment in COS at a later time, similar to what the Commission ordered in the last rate case WWP-E-98-11 (Order No. 28097)?

A. If the Commission finds that an additional step in COS is needed, I am recommending that COS be reviewed when the PCA balance drops to zero, or at the next general rate case. If the Commission accepts the

recommendation of Mr. Hessing to base the PCA adjustment on ¢/kWh rather than uniform percent of revenue, that may be an appropriate time to consider an additional adjustment to COS. A general rate case is always an appropriate time to review COS.

Q. Are your rate design proposals limited to the base rates?

A Yes. My proposals are limited to base rates and do not address the other rate adders including, PCA rates, DSM rider, Centralia credit or the Residential Exchange (BPA) credit.

RATE DESIGN - RESIDENTIAL

Q. What change in revenue requirement is Staff recommending for Residential Schedule 1?

A. Staff recommends an average overall increase in revenue of 18.8% to Residential Schedule 1.

Q. What is your recommendation for the Residential Schedule 1 rate design?

A. I am recommending that (1) the basic charge and minimum charge remain at $4.00; (2) the energy rate for the first 600 kWh increase by 21.9% to $0.05554/kWh, and (3) the rate for energy use in excess of 600 kWh/month be priced 18.8% higher at $.06302/kWh.

Staff Exhibit No. 144 shows the present and proposed rates on page 2 along with the resulting revenue

for Residential Schedule 1 on page 4. The proposed increase for a residential customer using an average of 941 kWh per month is $9.40 per month or a 18.8% increase in their electric bill. [The present bill for base rates without the PCA for 941 kWh is $49.41 compared to the proposed level without the PCA of $58.82.] Current and proposed base rate bills are compared on Staff Exhibit No. 145.

Q. The Company has proposed an increase in the residential basic customer charge and minimum charge from $4.00 to $5.00. Do you agree with this proposal?

A. No. The Company's proposal increases the customer basic charge and minimum charge 25%. This would have a disproportionate affect on customers with low usage. I believe the basic charge and minimum charge should remain at $4.00.

Q. Why do you believe there should be no increase in the customer basic charge and minimum charge?

A. The customer basic charge should be based on the direct cost of meter reading and billing and should not include any fixed plant cost. I believe this is consistent with the recent Commission order in an Idaho Power rate case (Order No. 29505 at 53) "The Commission finds that a monthly service charge should recover costs that are directly attributed to the customer paying the

charge. Typically, those charges are related to meter reading and customer billing."

The monthly cost associated with meter reading and billing is $2.62 for this customer class. Therefore, I believe no increase can be justified. I therefore believe the current rate of $4.00 is the appropriate amount for both the basic and minimum charge.

RATE DESIGN SCHEDULE 11 and 12

Q. What change in revenue requirement is Staff recommending for General Service Schedule 11 and 12?

A. Staff is recommending an average overall increase in revenue of 11.4% to General Service Schedule 11 and 12.

Q. The Company has proposed an additional energy usage block that would provide a lower energy rate for usage in excess of 3650 kWh per month. Do you support this change?

A. I am opposed to the Company's proposal for a declining block for Schedules 11. However, I am recommending that the Company's proposal be accepted for this case. I recommend that prior to the next general rate case, the Company should gather sufficient data to provide a proposal to eliminate the declining block rates and divide Schedule 11 into two separate schedules, one demand metered and the other not demand metered.

Q. The Company argues that the declining block rate is needed for Schedule 11, because under the present rates, customers whose demand exceeds 20 kW end up being billed a higher average amount per kWh than customers using less than 20 kW. Do you agree?

A. It is true that the present rates effectively bill customers, with demand that exceeds 20 kW, a higher amount per kWh than customers using less than 20 kW per month. However, this is true only because the Company has customers on Schedule 11 who are NOT demand-metered. Schedule 11, which has a demand charge, includes both demand-metered customers and non-demand metered customers. The non-demand metered customers, who cannot be billed for demand, are assumed to use less than 20 kW. Therefore, no customer in the class is billed for the first 20 kW of demand. The effect this has on demand-metered customers with higher usage is that they tend to pay more per kWh.

Q. Do you believe there is a better more direct solution to this problem than creating declining block rates?

A. Yes. Two separate schedules should be created. One for the demand metered customers and one for the non-demand metered customers. Having both demand-metered and non-demand metered customers on a demand schedule is the real problem. The Company fix to not bill

the first 20 kW of demand only created a new problem which is higher use customers paying effectively more per kWh. The Company's proposed fix for this is a declining block rate. I believe the real fix is to create two separate schedules.

Unfortunately the Company does not have sufficient data at this time to separate the schedule between demand and non-demand metered customers. Therefore, I am recommending that the Company's proposal for a declining block be accepted until the data can be made available to properly separate the schedule. The Company should be directed to collect the necessary customer data and the rate class should be separated as a part of the next general rate case.

Q. What rates are you recommending for General Service Schedule 11 and 12?

A. I am recommending no change in the basic charge the minimum charge or the demand charge. The energy rate for the first 3650 kWh per month should be 7.527 ¢/kWh and for usage above 3650 kWh per month should be 6.398 ¢/kWh. Staff Exhibit No. 144, page 2, shows the present and Staff-proposed rates along with the resulting revenue on page 4 for Schedule 11 and 12.

RATE DESIGN LARGE GENERAL SERVICE SCHEDULE 21 and 22

Q. What is the overall rate change recommended

by Staff for the Large General Service Schedule 21 and 22?

A. Staff recommends an overall revenue increase of 12.9%.

Q. What is your recommendation for the Large General Service Schedule 21 and 22 rate design?

A. I am recommending that the Company's proposal for the second block energy rate and the increases to the demand charges be accepted. The first block demand charge would increase from $225 to $250 and the second block demand charge would increase from $2.75 to $3.00. The first block energy rate would be 4.664 ¢/kWh and the second block would be 3.964 ¢/kWh. These rates are shown on Staff Exhibit No. 144, page 2. I also recommend that the Company develop additional information before the next rate case assessing the economical impact of the second block to justify continual use of a declining block energy charge.

RATE DESIGN EXTRA LARGE GENERAL SERVICE SCHEDULE 25

Q. What is Staff's recommended change in the revenue requirement for Extra Large General Service Schedule 25 (including Potlatch)?

A. Staff recommends an overall revenue increase of 20% for Extra Large General Service 25, with Potlatch receiving a 14.9% increase.

Q. What is your recommendation for Schedule 25

rate design?

A. I am recommending that the Company's proposal for the second block energy rate and the increases in the demand charges be accepted. The first block demand charge would increase from $7,500 to $9,000 and the second block demand charge would increase from $2.25 to $2.75. The first block energy rate would be 3.873 ¢/kWh and the second block would be 3.268 ¢/kWh. These rates are shown on Staff Exhibit No. 144, page 2. The Company should be prepared to demonstrate that the Schedule 21 and 22 tail blocked rates exceed the Company's variable costs and provide a small contribution to the Company's fixed costs.

RATE DESIGN IRRIGATION SCHEDULE 31

Q. What is Staff's recommended revenue requirement increase for Pumping Schedule 31?

A. Staff recommends that Schedule 31 rates be increased by 13.5%.

Q. What is your rate design proposal for Schedule 31?

A. I accept the Company's recommendation that all of the proposed increase for Schedule 31 be applied to the energy rate. The first block energy rate would be 6.295 ¢/kWh and the second block energy rate would be 5.351 ¢/kWh. The basic charge would remain at $6.00. These rates are shown on Staff Exhibit No. 144, page 2.

RATE DESIGN STREET AND AREA LIGHTS SCHEDULES 41-49

Q. What is Staff's recommended revenue requirement increase for Street and area lights Schedule 41-49?

A. Staff recommends that revenue for Schedules 41-49 be increased by 13.5%.

Q. What is your rate design proposal for Street and Area Lights Schedules 41-49?

A. I am recommending a uniform increase in all the Schedule 41-49 tariff rates to accomplish the 17.2% increase in revenue.

NATURAL GAS GENERAL

Q. How did Staff calculate the revenue allocation between the natural gas customer classes?

A. Staff balanced the objective to move each class closer to cost of service with the objective of achieving an equal contribution to the non-gas related costs (which is referred to the margin) from Schedules 121, 131, and 146. Staff's proposed revenue allocation between classes was achieved by starting with the cost of service results provided by Mr. Fuss. Then Schedules 121, 131 and 146 were moved closer to an equal contribution to the margin.

Q. What cost of service study is Staff's rate design proposal based on?

A. Staff witness Fuss has completed a review of the Company's gas cost of service (COS) analyses and has made a number of adjustments, which he discusses in his testimony. This is the cost of service methodology that Staff believes is most appropriate and is the one Staff has based its natural gas rate design analysis on.

Q. Why is it important to equalize the contribution to the non-gas related costs (margin) for Schedules 121, 131, and 146?

A. In order to discourage switching between schedules and to protect against a revenue shortfall for the Company the margin for each of these schedules should be fairly close. The difference in the margin in Staff's proposal is equal to the difference in the Company's rate proposal.

The Final Revenue allocation is shown in Column 'e' of Staff Exhibit No 146. This is the amount that Staff used in its rate design proposals. Present and proposed rates for all the natural gas schedules are summarized in Staff Exhibit No. 147, pages 2, 3 and 4 and again on Staff Exhibit No. 148.

GENERAL SERVICE SCHEDULE 101

Q. What change in revenue requirement is Staff recommending for Residential Schedule 101?

A. Staff recommends an average overall increase

in revenue of 6.97% to Residential Schedule 101.

Q. What is your recommendation for the Residential Schedule 101 rate design?

A. I am recommending that (1) the basic charge and the minimum charge remain at $3.28, and (2) the energy rate be increased to 79.678 ¢/therm.

Staff Exhibit No. 147 shows the existing and proposed rates along with the resulting revenue for Residential Schedule 101.

Q. The Company has proposed an increase in the residential basic charge and the minimum charge from $3.28 to $5.00. Why are you proposing no increase in these charges?

A. The Company Exhibit No. 23, page 4, shows that the cost of meter reading and billing for Schedule 101 is $2.46. These are the costs that I believe are appropriately recovered in the basic charge. This is consistent with the recent Commission order in an Idaho Power rate case (Order No. 29505, page 53) "The Commission finds that a monthly service charge should recover costs that are directly attributed to the customer paying the charge. Typically, those charges are related to meter reading and customer billing."

LARGE GENERAL SERVICE SCHEDULE 111

Q. What change in revenue requirement is Staff

recommending for Large General Service Schedule 111?

A. Staff recommends an average overall increase in revenue of 2.78% to Schedule 111.

Q. What is your recommendation for the Schedule 111 rate design?

A. I am recommending that the energy rate be increased to 78.190 ¢/therm in the first block, 76.379 ¢/therm in the second block and 66.182 ¢/therm in the third block.

LARGE GENERAL SERVICE-HIGH LOAD FACTOR SCHEDULE 121

Q. What change in revenue requirement is Staff recommending for Large General Service-High Load Factor Schedule 121?

A. Staff recommends an average overall increase in revenue of 1.86% to Schedule 121.

Q. What is your recommendation for the Large General Service-High Load Factor Schedule 121 rate design?

A. I am recommending that the energy rate be increased to 77.103 ¢/therm in the first block, 76.379 ¢/therm in the second block and 66.182 ¢/therm in the third block and 64.313 ¢/therm in the fourth and final block.

INTERRUPTIBLE SERVICE SCHEDULE 131

Q. What change in revenue requirement is Staff recommending for Interruptible Service Schedule 131?

A. Staff recommends an average overall increase in revenue of 1.45% to Interruptible Service Schedule 131.

Q. What is your recommendation for the Interruptible Service Schedule 131 rate design?

A. I am recommending that the energy rate be increased to 56.531 ¢/therm.

TRANSPORTATION SERVICE SCHEDULE 146

Q. What change in revenue requirement is Staff recommending for Transportation Service Schedule 146?

A. Staff recommends an average overall increase in revenue of 6.94% to Transportation Service Schedule 146.

Q. What is your recommendation for the Transportation Service Schedule 146 rate design?

A. I am recommending that the Company-proposed basic charge of $200/month be approved and the energy rate be increased to 10.908 ¢/therm.

Q. Does this conclude your direct testimony in this proceeding?

A. Yes, it does.

Staff Case
Avista Utilities - Electric
State of Idaho
20% Cost of Service
Normalized 12-Months Ending December 31, 2002

Line No	Type of Service	(1) Rate Sch. No.	(2) Average Number of Customers	(3) Sales Normalized (MWh)	(4) Current Revenue*	(6) COS Revenue Adjustments	(5) 20% COS Revenue Adjustments	(6) Uniform % on Current Rev. Adjustment	(7) Staff Proposed Revenue	(8) Average Rate ¢/kWh	(9) Percent Change	(10) COS Index	(11) % move to COS
1	Residential	1	87,494	988,380	52,648,000	16,157,333	3,231,467	6,646,555	62,526,021	6.33	18.8%	90.9%	20%
2	General Service	11	16,051	225,328	16,212,000	(1,004,899)	(200,980)	2,046,686	18,057,707	8.01	11.4%	118.7%	20%
3	Large General Service	21	1,789	674,177	34,804,000	394,728	78,946	4,393,836	39,276,782	5.83	12.9%	111.6%	20%
4	Extra Large General Service	25	14	303,707	10,475,000	3,887,969	777,594	1,322,418	12,575,012	4.14	20.0%	87.6%	20%
6	Potlatch	25	1	870,086	27,696,000	3,100,073	620,015	3,496,486	31,812,500	3.66	14.9%	103.3%	20%
7	Pumping Service	31	1,043	48,922	2,549,000	116,637	23,327	321,799	2,894,126	5.92	13.5%	108.6%	20%
8	Street and Area Lights	41-49	-	12,983	1,864,000	427,035	85,407	235,321	2,184,728	16.83	17.2%	95.4%	20%
9	Total/Average			3,123,583	146,248,000	23,078,876	4,615,775	18,463,101	169,326,876	5.42	15.8%	100.0%	

* Excludes all adjustments to base rates.

Exhibit No. 143
Case No. AVU-E-04-1/
AVU-G-04-1
D. Schunke, Staff
6/21/04

AVISTA UTILITIES
PRO FORMA ELECTRIC REVENUE UNDER PRESENT PROPOSED RATES
STATE OF IDAHO
YEAR ENDED 12/31/02

STAFF PROPOSAL

WK PAPER REFERENCE		TOTAL	RESIDENTIAL SCHEDULE 1	GENERAL SVC SCH 11 & 12	LG. GEN. SVC SCH 21 & 22	EX LG GEN SCH 25	POTLATCH	PUMPING SCH 31	S&A LTG SCH 41-49
	PRESENT BILL DETERMINANTS								
	KILOWATT HOURS (KWHS)								
ED1	BLOCK 1	2,625,081,578	529,648,147	230,128,452	670,091,980	303,707,481	870,085,620	21,419,898	
ED1	BLOCK 2	485,428,244	457,530,578					27,897,666	
ED1	BLOCK 3								
ED10-11	STREET & AREA LIGHTS	12,983,005							12,983,005
	SUBTOTAL	3,123,492,827	987,178,725	230,128,452	670,091,980	303,707,481	870,085,620	49,317,564	12,983,005
EE1	NET SHIFTING ADJUSTMENT			-3,868,694	3,868,694				
	SUBTOTAL	3,123,492,827	987,178,725	226,259,758	673,960,674	303,707,481	870,085,620	49,317,564	12,983,005
ED1	ADJUSTMENT TO ACTUAL	6,935,245	7,447,732	0	0	0	0	-512,487	0
	TOTAL BEFORE ADJUSTMENT	3,130,428,072	994,626,457	226,259,758	673,960,674	303,707,481	870,085,620	48,805,077	12,983,005
EA3	WEATHER & UNBILLED ADJ. KWHS	-6,845,089	-6,246,906	-931,261	216,573	0	0	116,505	0
	TOTAL PROFORMA KWHS	3,123,582,983	988,379,551	225,328,497	674,177,247	303,707,481	870,085,620	48,921,582	12,983,005
ED1	TOTAL BILLS		1,049,931	192,607	21,466	168	12	12,510	
ED1	MINIMUM BILLS								
ED1	EXCESS DEMAND			76,382	1,099,490	285,493	1,271,842		
	PROPOSED BILL DETERMINANTS								
	KILOWATT HOURS (KWHS)								
ED1,ED8-9,	BLOCK 1	1,465,410,026	529,648,147	198,485,573	625,856,408	84,000,000	6,000,000	21,419,898	
ED15	BLOCK 2	1,672,460,426	457,530,578	31,849,861	71,389,220	219,707,481	864,085,620	27,897,666	
	BLOCK 3	0					0		
	STREET & AREA LIGHTS	12,983,005							12,983,005
	SUBTOTAL	3,150,853,457	987,178,725	230,335,434	697,245,628	303,707,481	870,085,620	49,317,564	12,983,005
	NET SHIFTING ADJUSTMENT			-3,868,694	3,868,694				0
	SUBTOTAL	3,150,853,457	987,178,725	226,466,740	701,114,322	303,707,481	870,085,620	49,317,564	12,983,005
	ADJUSTMENT TO ACTUAL	-20,425,385	7,447,732	-206,982	-27,153,648	0	0	-512,487	0
	TOTAL BEFORE ADJUSTMENT	3,130,428,072	994,626,457	226,259,758	673,960,674	303,707,481	870,085,620	48,805,077	12,983,005
	WEATHER & UNBILLED ADJ. KWHS	-6,845,089	-6,246,906	-931,261	216,573	0	0	116,505	0
	TOTAL PROFORMA KWHS	3,123,582,983	988,379,551	225,328,497	674,177,247	303,707,481	870,085,620	48,921,582	12,983,005
	TOTAL BILLS		1,049,931	192,607	21,466	168	12	12,510	
	MINIMUM BILLS								
	EXCESS DEMAND			76,382	1,099,490	285,493	1,271,842		

Exhibit No. 144
Case No. AVU-E-04-1/
AVU-G-04-1
D. Schunke, Staff
6/21/04 Page 1 of 4

Hirschkorn Workpapers
EA1-5 rev. model

AVISTA UTILITIES
PRO FORMA ELECTRIC REVENUE UNDER PRESENT PROPOSED RATES
STATE OF IDAHO
YEAR ENDED 12/31/02

WK PAPER REFERENCE			TOTAL	RESIDENTIAL SCHEDULE 1	GENERAL SVC SCH 11 & 12	LG. GEN. SVC SCH 21 & 22	EX LG GEN SCH 25	POTLATCH	PUMPING SCH 31	S&A LTG SCH 41-49
	PRESENT RATES									
	BASIC CHARGE			$4.00	$6.00				$6.00	
	MONTHLY MINIMUM									
	BLOCK 1 PER KWH			4.555¢	6.564¢	3.996¢	2.874¢	2.874¢	5.716¢	
	BLOCK 2 PER KWH			5.303¢					4.548¢	
	BLOCK 3 PER KWH									
		delta		116.42%					79.57%	
	ADJUST TO ACTUAL PER KWH			5.327¢	7.192¢	5.163¢	3.449¢	3.183¢	5.210¢	
	DEMAND BLOCK 1					$225.00	$7,500.00	$7,500.00		
	DEMAND BLOCK 2				$3.50	$2.75	$2.25	$2.25		
	PROPOSED RATES									
EC1	BASIC CHARGE			$4.00	$6.00				$6.00	
EC1	MONTHLY MINIMUM									
EC1	BLOCK 1 PER KWH			5.554¢	7.527¢	4.664¢	3.873¢	3.873¢	6.295¢	
EC1	BLOCK 2 PER KWH			6.302¢	6.398¢	3.964¢	3.268¢	3.268¢	5.351¢	
EC1	BLOCK 3 PER KWH									
	Difference between Blk 1 and Blk 2			113.47%	85.00%	85.00%	84.38%	84.38%	85.00%	
	ADJUST TO ACTUAL PER KWH			6.327¢	8.012¢	5.826¢	4.141¢	3.656¢	5.915¢	
EC1	DEMAND BLOCK 1					$250.00	$9,000.00	$9,000.00		
EC1	DEMAND BLOCK 2				$3.50	$3.00	$2.75	$2.75		
				$9,878,021						
				9,878,022						

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AVISTA UTILITIES
PRO FORMA ELECTRIC REVENUE UNDER PRESENT PROPOSED RATES
STATE OF IDAHO
YEAR ENDED 12/31/02

WK PAPER REFERENCE		TOTAL	RESIDENTIAL SCHEDULE 1	GENERAL SVC SCH 11 & 12	LG. GEN. SVC SCH 21 & 22	EX LG GEN SCH 25	POTLATCH	PUMPING SCH 31	S&A LTG SCH 41-49
	PRESENT REVENUE								
	BILLING REVENUE								
	BASIC CHARGE	$5,430,426	$4,199,724	$1,155,642				$75,060	
	MONHTLY MINIMUM	$0							
	BLOCK 1	$100,967,155	$24,125,473	$15,105,632	$26,776,876	$8,728,553	$25,006,261	$1,224,361	
	BLOCK 2	$25,531,632	$24,262,847					$1,268,786	
	BLOCK 3	$0							
	DEMAND BLOCK 1	$6,179,850			$4,829,850	$1,260,000	$90,000		
	DEMAND BLOCK 2	$6,794,938		$267,337	$3,023,598	$642,359	$2,861,645		
ED6-7	POWER FACTOR ADJUSTMENT	$35,538		$459	$34,052			$1,028	
ED15,EF1	PRIMARY VOLTAGE DISCOUNT	($447,228)			($29,850)	($155,810)	($261,568)		
	ANNUAL MINIMUM ADJUSTMENT	$0							
EG1	STREET & AREA LIGHT REVENUE	$1,864,128							$1,864,128
	SUBTOTAL	$146,356,440	$52,588,044	$16,529,069	$34,634,525	$10,475,102	$27,696,337	$2,569,235	$1,864,128
EE1	NET SHIFTING ADJUSTMENT	($95,256)		($256,294)	$161,038				
	SUBTOTAL	$146,261,184	$52,588,044	$16,272,775	$34,795,563	$10,475,102	$27,696,337	$2,569,235	$1,864,128
	ADJUST TO ACTUAL	$370,050	$396,748	$0	$0	$0	$0	($26,698)	$0
	TOTAL BILLING REVENUE	$146,631,234	$52,984,792	$16,272,775	$34,795,563	$10,475,102	$27,696,337	$2,542,536	$1,864,128
	ADJUSTMENT REVENUE								
	UNBILLED REVENUE ADJUSTMENT								
EI1	BASE LOAD KWHS	1,275,655	745,672	191,817	221,661		0	116,505	
EA5	BASE LOAD RATE		4.624¢	6.564¢	3.996¢			5.210¢	
	BASE LOAD REVENUE	$62,000	$34,482	$12,591	$8,858	$0		$6,069	
EI1	WEATHER-SENSITIVE KWHS	-6,794,634	-5,968,023	-820,932	-5,679	0	0	0	0
EA5	WEATHER-SENSITIVE RATE		5.303¢	6.564¢	3.996¢				
	WEATHER-SENSITIVE REVENUE	($370,597)	($316,484)	($53,886)	($227)	$0		$0	
	TOTAL UNBILLED KWH ADJUST	-5,518,979	-5,222,351	-629,115	215,982	0		116,505	0
	TOTAL UNBILLED REVENUE ADJ	($308,597)	($282,002)	($41,295)	$8,631	$0		$6,069	$0
	WEATHER NORMALIZATION ADJ								
EH1	WEATHER-SENSITIVE KWHS	-1,326,110	-1,024,555	-302,146	591	0	0	0	0
EA5	WEATHER-SENSITIVE RATE		5.303¢	6.564¢	3.996¢				
	WEATHER-SENSITIVE REVENUE	($74,141)	($54,332)	($19,833)	$24				
	OTHER ADJUSTMENTS								
	TOTAL ADJUSTMENT REVENUE	($382,738)	($336,334)	($61,128)	$8,654	$0	$0	$6,069	$0
	TOTAL BILLING REVENUE	$146,631,234	$52,984,792	$16,272,775	$34,795,563	$10,475,102	$27,696,337	$2,542,536	$1,864,128
	TOTAL PRESENT REVENUE	$146,248,496	$52,648,458	$16,211,647	$34,804,217	$10,475,102	$27,696,337	$2,548,606	$1,864,128

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AVISTA UTILITIES
PRO FORMA ELECTRIC REVENUE UNDER PRESENT PROPOSED RATES
STATE OF IDAHO
YEAR ENDED 12/31/02

WK PAPER REFERENCE		TOTAL	RESIDENTIAL SCHEDULE 1	GENERAL SVC SCH 11 & 12	LG. GEN. SVC SCH 21 & 22	EX LG GEN SCH 25	POTLATCH	PUMPING SCH 31	S&A LTG SCH 41-49
	PROPOSED REVENUE								
	BILLING REVENUE								
	BASIC CHARGE	$5,430,426	$4,199,724	$1,155,642				$75,060	
	MONHTLY MINIMUM	$0							
	BLOCK 1	$78,380,974	$29,418,860	$14,939,251	$29,188,705	$3,253,437	$232,362	$1,348,359	
	BLOCK 2	$70,612,715	$28,835,479	$2,037,635	$2,830,034	$7,180,381	$28,236,478	$1,492,708	
	BLOCK 3	$0	$0				$0		
	DEMAND BLOCK 1	$6,986,500			$5,366,500	$1,512,000	$108,000		
	DEMAND BLOCK 2	$7,848,478		$267,337	$3,298,470	$785,106	$3,497,566		
	POWER FACTOR ADJUSTMENT	$35,538		$459	$34,052			$1,028	
	PRIMARY VOLTAGE DISCOUNT	($447,228)			($29,850)	($155,810)	($261,568)		
	ANNUAL MINIMUM ADJUSTMENT	$0							
EG1	STREET & AREA LIGHT REVENUE	$2,184,856							$2,184,856
	SUBTOTAL	$171,032,259	$62,454,063	$18,400,324	$40,687,911	$12,575,114	$31,812,837	$2,917,154	$2,184,856
	NET SHIFTING ADJUSTMENT	($95,256)		($256,294)	$161,038				
	SUBTOTAL	$170,937,003	$62,454,063	$18,144,030	$40,848,949	$12,575,114	$31,812,837	$2,917,154	$2,184,856
	ADJUST TO ACTUAL	($1,157,765)	$471,182	($16,583)	($1,582,050)	$0	$0	($30,314)	$0
	TOTAL BILLING REVENUE	$169,779,239	$62,925,246	$18,127,447	$39,266,899	$12,575,114	$31,812,837	$2,886,840	$2,184,856
	ADJUSTMENT REVENUE								
	UNBILLED REVENUE ADJUSTMENT								
	BASE LOAD KWHS	1,275,655	745,672	191,817	221,661	0	0	116,505	0
	BASE LOAD RATE		5.624¢	7.527¢	4.664¢	3.873¢		5.915¢	
	BASE LOAD REVENUE	$73,601	$41,935	$14,437	$10,338	$0		$6,891	
	WEATHER-SENSITIVE KWHS	-6,794,634	-5,968,023	-820,932	-5,679	0	0	0	0
	WEATHER-SENSITIVE RATE		6.302¢	7.527¢	4.664¢				
	WEATHER-SENSITIVE REVENUE	($438,183)	($376,130)	($61,788)	($265)	$0		$0	
	TOTAL UNBILLED KWH ADJUST	-5,518,979	-5,222,351	-629,115	215,982	0	0	116,505	0
	TOTAL UNBILLED REVENUE ADJ	($364,582)	($334,195)	($47,351)	$10,073	$0		$6,891	$0
	WEATHER NORMALIZATION ADJ								
	WEATHER-SENSITIVE KWHS	-1,326,110	-1,024,555	-302,146	591	0	0	0	0
	WEATHER-SENSITIVE RATE		6.302¢	7.527¢	4.664¢				
	WEATHER-SENSITIVE REVENUE	($87,286)	($64,572)	($22,741)	$28				
	OTHER ADJUSTMENTS								
	TOTAL ADJUSTMENT REVENUE	($451,867)	($398,767)	($70,092)	$10,101	$0	$0	$6,891	$0
	TOTAL BILLING REVENUE	$169,779,239	$62,925,246	$18,127,447	$39,266,899	$12,575,114	$31,812,837	$2,886,840	$2,184,856
	TOTAL PROPOSED REVENUE	$169,327,372	$62,526,479	$18,057,354	$39,276,999	$12,575,114	$31,812,837	$2,893,732	$2,184,856
	TOTAL PRESENT REVENUE	$146,248,496	$52,648,458	$16,211,647	$34,804,217	$10,475,102	$27,696,337	$2,548,606	$1,864,128
EL1	**TOTAL REVENUE INCREASE**	**$23,078,876**	**$9,878,021**	**$1,845,707**	**$4,472,782**	**$2,100,012**	**$4,116,500**	**$345,126**	**$320,728**
	PERCENT REVENUE INCREASE	**15.78%**	**18.76%**	**11.39%**	**12.85%**	**20.05%**	**14.86%**	**13.54%**	**17.21%**

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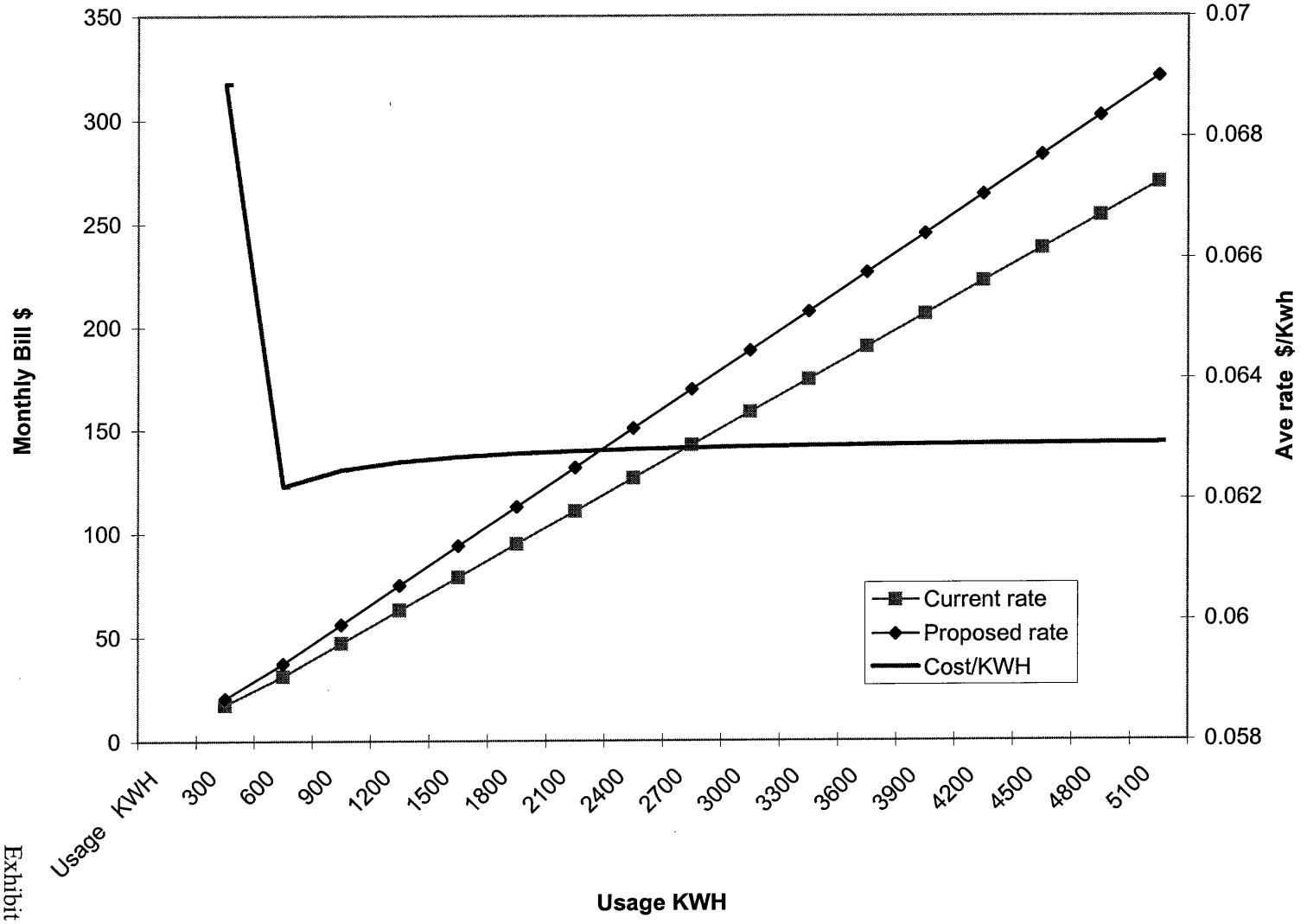
Avista Electric Residential Rate Comparison



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AVISTA UTILITIES
STAFF PROPOSED REVENUE INCREASE BY SCHEDULE
IDAHO - GAS
12 MONTHS ENDED DECEMBER 31, 2002
(000s of Dollars)

Line No	Type of Service	Schedule Number	Revenue Under Present Rates (1)	Proposed Increase	Revenue Under Proposed Rates (1)	Therms (000s)	Revenue Increase Per Therm	Percent Increase	COS Index	Company Increase
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(I)	(j)
1	General Service	101	$40,114	$2,794	$42,908	50978	5.481¢	6.97%	99.50%	10.0%
2	Large General Service	111	$8,955	$249	$9,203	12930	1.923¢	2.78%	101.16%	6.6%
3	High Annual Load Factor LGS	121	$1,522	$28	$1,550	2357	1.199¢	1.86%	101.43%	3.8%
4	Interruptible Service	131	$385	$6	$391	691	0.807¢	1.45%	102.83%	3.4%
5	Transportation Service	146	$444	$31	$475	4200	0.734¢	6.94%	119.02%	18.2%
6	Special Contracts		$500	$0	$500	58852	0.000¢	0.00%	100.00%	0.0%
7	Total		$51,919	$3,107	$55,027	130007	2.390¢	5.98%	100.00%	9.2%

(1) Includes Purchase Adjustment Schedule 150 / Excludes other rate adjustments

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WK PPR REF		TOTAL	GEN SERVICE SCHEDULE 101	LRG GEN SVC SCH. 111&112	EX LRG GEN SVC SCH. 121&122	INTERRUPTIBLE SCH. 131&132	TRANSPORT SCHEDULE 146	TRANSPORT IMCO/LIGNETICS	TRANSPORT POTLATCH
	PRES BILLING DETERMINANTS								
	THERMS								
GD1	BLOCK 1		51,684,524	1,278,657	56,500	691,030	4,199,851	2,222,189	40,926,290
GD1	BLOCK 2			3,968,140	56,500			1,813,471	13,889,580
GD1	BLOCK 3			8,297,370	918,140				
GD1	BLOCK 4				1,326,163				
	OTHER								
	SUBTOTAL	131,328,405	51,684,524	13,544,167	2,357,303	691,030	4,199,851	4,035,660	54,815,870
	NET SHIFTING ADJUSTMENT								
	SUBTOTAL	131,328,405	51,684,524	13,544,167	2,357,303	691,030	4,199,851	4,035,660	54,815,870
GD1	ADJUSTMENT TO ACTUAL	(491,471)	0	(491,471)		0	0	0	0
	TOTAL BEFORE ADJUSTMENT	130,836,934	51,684,524	13,052,696	2,357,303	691,030	4,199,851	4,035,660	54,815,870
GA3	WEATHER & UNBILLED REV. ADJ.	-829,751	-706,579	-123,172	0	0	0	0	0
	TOTAL PROFORMA THERMS	130,007,183	50,977,945	12,929,524	2,357,303	691,030	4,199,851	4,035,660	54,815,870
GD1	TOTAL BILLS		698,032			24	84	24	12
GD1	TOTAL/MINIMUM BILLS			6,867	120				
	PROP BILLING DETERMINANT ADJUSTMENTS (Adjustment to Actual)								
	THERMS								
GD1	BLOCK 1		-706,579	-46,398	0	0	0	0	0
GD1	BLOCK 2			-143,990	0			0	0
GD1	BLOCK 3			-301,083	0				
GD1	BLOCK 4				0				
	OTHER								
			-706,579	-491,471					
	PROP BILLING DETERMINANT ADJUSTMENTS (Weather & Unbilled Revenue)								
	THERMS								
GD1	BLOCK 1		0	1,637	0	0	0	0	0
GD1	BLOCK 2			-7,907	0			0	0
GD1	BLOCK 3			-116,903	0				
GD1	BLOCK 4				0				
	OTHER								
			0	-123,172					
	PROP BILLING DETERMINANTS								
	THERMS								
GD1	BLOCK 1		50,977,945	1,233,896	56,500	691,030	4,199,851	2,222,189	40,926,290
GD1	BLOCK 2			3,816,243	56,500			1,813,471	13,889,580
GD1	BLOCK 3			7,879,384	918,140				
GD1	BLOCK 4				1,326,163				
	OTHER								
	SUBTOTAL	130,007,183	50,977,945	12,929,524	2,357,303	691,030	4,199,851	4,035,660	54,815,870
	NET SHIFTING ADJUSTMENT	0	0	0	0	0	0	0	0
	TOTAL PROFORMA THERMS	130,007,183	50,977,945	12,929,524	2,357,303	691,030	4,199,851	4,035,660	54,815,870
GD1	TOTAL BILLS		698,032			24	84	24	12
GD1	TOTAL/MINIMUM BILLS			6,867	120				

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WK PPR REF	PRESENT RATES	TOTAL	GEN SERVICE SCHEDULE 101	LRG GEN SVC SCHEDULE 111	EX LRG GEN SVC SCHEDULE 121	INTERRUPTIBLE SCHEDULE 131	TRANSPORT SCHEDULE 146	TRANSPORT IMCO/LIGNETICS (1)	TRANSPORT POTLATCH
GB1	BASIC CHARGE		$3.28						
GB1	MONTHLY MINIMUM			$97.30	$238.33				
	Schedule 150								
	BLOCK 1 PER THERM		27.186¢	27.186¢	27.186¢	24.370¢	(2.993¢)		
	BLOCK 2 PER THERM			27.186¢	27.186¢				
	BLOCK 3 PER THERM			27.186¢	27.186¢				
	BLOCK 4 PER THERM				27.186¢				
GB1	BLOCK 1 PER THERM		47.011¢	48.649¢	47.666¢	31.354¢	13.567¢	2.000¢	0.750¢
GB1	BLOCK 2 PER THERM			47.011¢	47.011¢			7.426¢	0.100¢
GB1	BLOCK 3 PER THERM			37.789¢	37.789¢				
GB1	BLOCK 4 PER THERM				36.098¢				

Note: Rates include Schedule 150 - Purchased Gas Cost Adjustment

WK PPR REF	PRESENT REVENUE	TOTAL	GEN SERVICE SCHEDULE 101	LRG GEN SVC SCHEDULE 111	EX LRG GEN SVC SCHEDULE 121	INTERRUPTIBLE SCHEDULE 131	TRANSPORT SCHEDULE 146	TRANSPORT IMCO/LIGNETICS	TRANSPORT POTLATCH
	BILLING REVENUE								
	BASIC CHARGE	$2,289,545	$2,289,545						
	MONHTLY MINIMUM	$696,759		$668,159	$28,600				
	BLOCK 1	$39,355,466	$37,824,106	$335,447	$15,360	$385,070	$444,092	$44,444	$306,947
	BLOCK 2	$3,022,017		$2,831,538	$41,921			$134,668	$13,890
	BLOCK 3	$5,716,191		$5,119,630	$596,561				
	BLOCK 4	$839,249			$839,249				
	ANNUAL MINIMUM ADJUSTMENT								
	SUBTOTAL	$51,919,227	$40,113,651	$8,954,774	$1,521,691	$385,070	$444,092	$179,112	$320,837
	NET SHIFTING ADJUSTMENT								
	TOTAL BILLING REVENUE	$51,919,227	$40,113,651	$8,954,774	$1,521,691	$385,070	$444,092	$179,112	$320,837

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WK PPR REF	STAFF PROPOSED RATES	TOTAL	GEN SERVICE SCHEDULE 101	LRG GEN SVC SCHEDULE 111	EX LRG GEN SVC SCHEDULE 121	INTERRUPTIBLE SCHEDULE 131	TRANSPORT SCHEDULE 146	TRANSPORT IMCO/LIGNETICS (1)	TRANSPORT POTLATCH
GB1	BASIC CHARGE		$3.28				$200.00		
GB1	MONTHLY MINIMUM			$156.38	$385.51				
	WACOG & transportation								
	BLOCK 1 PER THERM		53.546¢	53.546¢	53.546¢	45.223¢			
	BLOCK 2 PER THERM			53.546¢	53.546¢				
	BLOCK 3 PER THERM			53.546¢	53.546¢				
	BLOCK 4 PER THERM				53.546¢				
GB1	BLOCK 1 PER THERM		26.132¢	24.644¢	23.557¢	11.308¢	10.908¢	2.000¢	0.750¢
GB1	BLOCK 2 PER THERM			22.833¢	22.833¢			7.426¢	0.100¢
GB1	BLOCK 3 PER THERM			12.636¢	12.636¢				
GB1	BLOCK 4 PER THERM				10.767¢				

WK PPR REF	STAFF PROPOSED REVENUE	TOTAL	GEN SERVICE SCHEDULE 101	LRG GEN SVC SCHEDULE 111	EX LRG GEN SVC SCHEDULE 121	INTERRUPTIBLE SCHEDULE 131	TRANSPORT SCHEDULE 146	TRANSPORT IMCO/LIGNETICS	TRANSPORT POTLATCH
	BILLING REVENUE								
	BASIC CHARGE	$2,306,345	$2,289,545				$16,800		
	MONHTLY MINIMUM	$1,120,123		$1,073,861	$46,261				
	BLOCK 1	$41,818,218	$40,618,074	$0	$0	$390,644	$458,108	$44,444	$306,947
	BLOCK 2	$3,106,513		$2,914,801	$43,154			$134,668	$13,890
	BLOCK 3	$5,822,420		$5,214,772	$607,648				
	BLOCK 4	$852,893			$852,893				
	ANNUAL MINIMUM ADJUSTMENT								
	SUBTOTAL	$55,026,511	$42,907,619	$9,203,435	$1,549,956	$390,644	$474,908	$179,112	$320,837
	NET SHIFTING ADJUSTMENT								
	TOTAL BILLING REVENUE	$55,026,511	$42,907,619	$9,203,435	$1,549,956	$390,644	$474,908	$179,112	$320,837
	Proposed Overall Increase	5.98%	6.97%	2.78%	1.86%	1.45%	6.94%	0.00%	0.00%
	COS	$55,026,511	$43,121,364	$9,098,183	$1,528,116	$379,886	$399,013	$179,112	$320,837
	Proposed COS Index	100.00%	99.50%	101.16%	101.43%	102.83%	119.02%	100.00%	100.00%
	Current COS Index	100.00%	99.08%	102.70%	101.93%	103.45%	126.70%		
	Average Rate Per Therm	$0.42326	$0.84169	$0.71182	$0.65751	$0.56531	$0.11308	$0.04438	$0.00585
	Per therm contribution to margin		$0.30623	$0.17636	$0.12205	$0.11308	$0.11308		

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STAFF PROPOSED RATES	TOTAL	GEN SERVICE SCHEDULE 101	LRG GEN SVC SCHEDULE 111	EX LRG GEN SVC SCHEDULE 121	INTERRUPTIBLE SCHEDULE 131	TRANSPORT SCHEDULE 146	TRANSPORT IMCO/LIGNETICS (1)	TRANSPORT POTLATCH
BASIC CHARGE		$3.28				$200.00		
MONTHLY MINIMUM			$156.38	$385.51				
BLOCK 1 PER THERM		79.678¢	78.190¢	77.103¢	56.531¢	10.908¢	2.000¢	0.750¢
BLOCK 2 PER THERM			76.379¢	76.379¢			7.426¢	0.100¢
BLOCK 3 PER THERM			66.182¢	66.182¢				
BLOCK 4 PER THERM				64.313¢				

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AVISTA UTILITIES
IDAHO - GAS
COMPARISON OF PRESENT & STAFF PROPOSED GAS RATES

General Service Schedule 101		
Present Rates(1)	**Increase**	**Staff Proposed Rates(1)**
(a)	(b)	(c)
$3.28 Basic Charge	$0.00	$3.28
All Therms - 74.197¢/Therm	5.481	79.678

Large General Service Schedule 111		
Present Rates(1)	**Increase**	**Proposed Rates(1)**
1st 200 Therms - 75.836¢/Therm*	2.354	78.190
Next 800 Therms - 74.197¢/Therm	2.182	76.379
Over 1,000 Therms - 64.975¢/Therm	1.207	66.182
*Minimum - $97.30/Month plus 27.186¢/Therm		*Minimum - $156.38/Month

Large General Service Schedule 121		
Present Rates(1)	**Increase**	**Proposed Rates(1)**
1st 500 Therms - 74.852¢/Therm*	2.251	77.103
Next 500 Therms - 74.197¢/Therm	2.182	76.379
Next 9,000 Therms - 64.975¢/Therm	1.207	66.182
Over 10,000 Therms - 63.284¢/Therm	1.029	64.313
*Minimum - $238.33/Month plus 27.186¢/Therm		*Minimum - $385.51/Month

Interruptible Service Schedule 131		
Present Rates(1)	**Increase**	**Proposed Rates(1)**
All Therms - 55.724¢/Therm	0.807	56.531

Transportation Service Schedule 146		
Present Rates(1)	**Increase**	**Proposed Rates(1)**
No Basic Charge	$200.00/month	$200.00 Basic Charge
All Therms - 10.574¢/Therm	0.334	10.908

(1) Rates include Purchase Gas Adjustment Schedule 150 / Exclude all other rate adjustments

Exhibit No. 148
Case No. AVU-E-04-1/
AVU-G-04-1
D. Schunke, Staff
6/21/04

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 21ST DAY OF JUNE 2004, SERVED THE FOREGOING **DIRECT TESTIMONY OF DAVID SCHUNKE,** IN CASE NO. AVU-E-04-1/AVU-G-04-1, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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