
IDAHO PUBLIC UTILITIES COMMISSION**For Immediate Release****Case No. AVU-G-03-2****August 16, 2004****Contact: Gene Fadness (208) 334-0339****Website: www.puc.state.id.us****Commission accepts Avista Gas plan**

Boise – The Idaho Public Utilities Commission is accepting a long-range gas supply plan for Avista Utilities, called an Integrated Resource Plan, but is asking the company to report back on how Washington state's rejection of a gas purchase mechanism could impact Idaho ratepayers.

Avista's "benchmark mechanism" established a cost for natural gas for Washington, Oregon and Idaho at the first of every month based on an assumed volume purchase from each of the three gas supply basins serving the Northwest. Avista Energy, an affiliate of Avista Utilities, managed the program.

In February, the Washington Utilities and Transportation Commission, in a split decision, found that Avista's benchmark mechanism did not provide adequate safeguards for transactions between affiliates such as Avista Utilities and Avista Energy. In response, Avista Utilities proposes to hire additional personnel so it can return to internally purchasing natural gas for its customers, including those in Idaho, by April 1, 2005.

Noting that some aspects of the benchmark mechanism benefited Idaho customers, the Idaho commission is concerned that Washington's decision may result in increased costs to Idaho. The Idaho commission is asking Avista to supply it with copies of all benchmark mechanism transition documents submitted in the company's other states and to address the regulatory consequences and economic and operational impacts in Idaho that will result from terminating the program.

Other facets of Avista's overall Integrated Resource Plan include continuing gas and electric efficiency activities that are funded by a 0.5 percent tariff rider on customer bills. The rider generates about \$1 million per year. Some gas efficiency programs for residential customers include funding assistance for programmable thermostats, high-efficiency gas furnaces, high-efficiency gas water heating and weatherization. Qualified low-income customers are eligible to receive incentives from community action agencies within Avista's service territory.

Avista Utilities, headquartered in Spokane, provides gas and electric service in eastern Washington, northern Idaho and southern Oregon. Avista has about 60,000 natural gas customers in northern Idaho.

Copies of the commission's order and other documents related to this case are available on the commission's Web site at www.puc.state.id.us. Click on "File Room," and then on "Gas Cases," and scroll down to the case number, AVU-G-03-2. Copies are also available for public inspection at the commission's office at 472 W. Washington St. in Boise or at Avista Utilities' offices.

Persons wishing to petition for reconsideration of the commission's order must do so by no later than Aug. 23.

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