

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)
AVISTA UTILITIES FOR AN ORDER APPROVING)
A CHANGE IN NATURAL GAS RATES AND CHARGES)

AVU-G-04-02

Application is hereby made by Avista (Company) to the Idaho Public Utilities Commission for an Order approving revised rates and charges for natural gas service in the state of Idaho. The Applicant requests that the proposed rates included in this filing be made effective on or about September 9, 2004, to coincide with the change in gas rates resulting from the Company's pending general rate filing in Case No. AVU-G-04-01. In discussions with the Commission Staff, both the Company and the Staff believe that it is in customers' best interests to have one rate change that combines the results of both Cases. If approved, the Company's annual revenue will increase as a result of this filing by approximately \$7.8 million or about 14.2%. In support of this Application, Applicant states as follows:

I.

The name of the Applicant is AVISTA UTILITIES, a unit of AVISTA CORPORATION, a Washington corporation, whose principal business office is East 1411 Mission Avenue, Spokane, Washington, and is qualified to do business in the state of Idaho. Applicant maintains district offices in Moscow, Lewiston, Coeur d'Alene, and Kellogg, Idaho. Communications in reference to this Application should be addressed to:

Kelly O. Norwood
Vice President - Rates & Regulation
Avista Utilities
P.O. Box 3727
Spokane, WA 99220-3727

II.

Attorney for the Applicant and his address is as follows:

David J. Meyer
Senior Vice President
Avista Utilities
P.O. Box 3727
Spokane, WA 99220-3727
(509) 489-0500

III.

The Applicant is a public utility engaged in the distribution of natural gas in certain portions of Eastern and Central Washington, Northern Idaho, Southwestern and Northeastern Oregon, Northern California, and further engaged in the generation, transmission, and distribution of electricity in Eastern Washington and Northern Idaho.

IV.

Seventh Revision Sheet 150, which Applicant requests the Commission approve, is filed herewith as Exhibit "A". Also included in Exhibit "A" is a copy of Seventh Revision Tariff Sheet 150 with the changes underlined. Also included in Exhibit "A" is a copy of Sixth Revision Tariff Sheet 150 with the proposed changes shown by lining over the current language or amounts. Sixth Revision Tariff Sheet 150 is currently pending before the Idaho Public Utilities Commission in Case No. AVU-G-04-01.

V.

The existing rates and charges for natural gas service on file with the Commission and designated as Applicant's Tariff IPUC No. 27, which will be superseded by the rates and charges filed herewith, are incorporated herein as though fully attached hereto.

VI.

Notice to the Public of Applicant's proposed tariffs is to be given simultaneously with the filing of this Application by posting, at each of the Company's district offices in Idaho, a Notice in the form attached hereto as Exhibit "B" and by means of a press release distributed to various informational agencies, a copy attached hereto as Exhibit "E". In addition, a separate notice to each Idaho gas customer will be included in their current billing, a copy attached hereto as Exhibit "B - 1" and mailed to customer coincident with this filing.

VII.

The circumstances and conditions relied on for approval of Applicant's revised rates are as follows: Applicant purchases natural gas from a subsidiary of Avista Corporation, Avista Energy under provisions of Tariff Schedule 163, Natural Gas Benchmark Mechanism. Applicant transports this gas over Williams Pipeline West (d.b.a. Northwest Pipeline Corporation), PG&E – GTN (PGT), TransCanada (Alberta), TransCanada (BC) and Westcoast Pipeline systems and defers the effect of timing differences due to implementation of rate changes and differences between Applicant's actual weighted average cost of gas (WACOG) purchased and the WACOG embedded in rates. Applicant also defers the revenue received from Cascade Natural Gas for the release of storage capacity at the Jackson Prairie Storage Facility, various pipeline refunds or charges and miscellaneous revenue received from gas related transactions.

Applicant's filing of proposed tariff sheet 150 increases the prospective natural gas cost component included in the rates charged to customers by 11.730 cents per therm. This requested rate change consists of an increase of 10.750 cents per therm related to the (variable) commodity cost of purchasing and transporting gas for customer usage and an increase of .980 cents per therm related to fixed pipeline costs.

The commodity cost increase is based on a proposed increase in the present WACOG included in the Company's gas service schedules. Gas prices have increased markedly since the fall of 2003. The Company's present WACOG included in its gas sales rates is 44.989 cents per therm, which was approved by the Commission in Order No. 29342. The WACOG proposed in this requested increase is 55.739 cents per therm, reflecting first-of-the-month (FOM) forward gas prices as of July 13th, and hedges executed to date. FOM forward prices, weighted by basin, are multiplied by the monthly projected load requirements, less volumes hedged to date. The Company has executed three hedges to date for the coming winter (November-March) at an average price of 58.4 cents per therm. Additional hedges will be executed prior to this winter, with total hedged volumes representing approximately 50% of total annual projected load requirements for the July 2004 – June 2005 period. Should future FOM or hedged prices substantially change the WACOG requested in this filing, the Company will revise this filing or submit an additional PGA filing to reflect those changes.

In this filing, the Company is not proposing a change to the present amortization rate(s), set forth under Schedule 155. This amortization rate is used to refund or surcharge customers the difference between actual gas costs and projected gas costs (from the last PGA filing) over the past year. The Company has a deferred gas cost balance of approximately \$3.3 million, as of June 30, 2004, reflecting higher gas costs than projected during the past year. However, the present amortization rate is a surcharge of 3.093 cents per therm, which would recover the present deferral balance over an approximate eighteen-month period. The Company believes this estimated recovery period is reasonable and, given the substantial increase proposed in the WACOG, is not proposing a change to the amortization rate.

If the proposed increase to tariff sheet 150 is approved, firm sales customers on Schedules 101, 111, 112, 121 and 122 will see a rate increase of 11.730 cents per therm. Interruptible sales customers on Schedules 131 and 132 will see a rate increase of 10.750 cents per therm. The average percentage change for the various Schedules are shown on Exhibit C, page 6.

Applicant is proposing that the large transportation and interruptible customers be given the option of receiving/paying their portion of the deferred gas costs either through a lump sum credit/charge or through an amortization rate. If these customers choose the lump sum method Applicant proposes to adjust these billings credits/charges by the amount of interest that accumulates from the end of the test period used in this filing to the date of actual settlement. This proposal would clear out the small residual balances related to interest charges that are carried forward between PGA filings for large customers.

VIII.

Exhibit "C" attached hereto contains support for the rates proposed by Applicant contained in Exhibit "A". The average residential customer using 70 therms per month will see an estimated increase of \$8.21 per month or approximately 14.2%.

IX.

Applicant is requesting that Applicant's rates be approved to become effective on or before September 9, 2004 to coincide with the change in gas rates resulting from the Applicant's pending general rate filing in Case No. AVU-G-04-01. Applicant requests that, if appropriate, the Commission adopt the procedures prescribed by Rule 201-210, Modified Procedure. Applicant stands ready for immediate consideration on its Application.

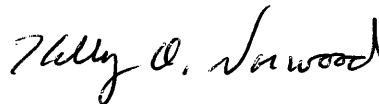
X.

WHEREFORE, Applicant requests the Commission issue its Order finding Applicant's proposed rate to be just, reasonable, and nondiscriminatory and to become effective for all natural gas service on and after September 9, 2004.

Dated at Spokane, Washington, this 23rd day of July 2004.

AVISTA UTILITIES

BY



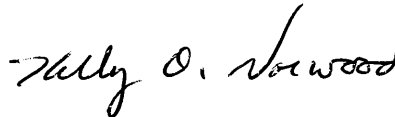
Kelly O. Norwood
Vice President, State & Federal Regulation

STATE OF WASHINGTON)

) ss.

County of Spokane)

Kelly O. Norwood, being first duly sworn, on oath deposes and says: that he is the Vice President, State & Federal Regulation of Avista Utilities; that he has read the above and foregoing Application, knows the contents thereof, and believes the same to be true.

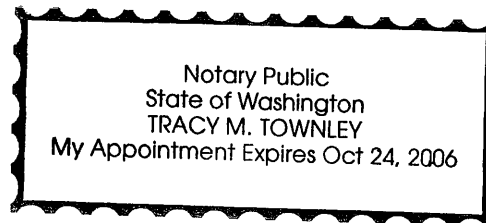


Kelly O. Norwood
Vice President
State & Federal Regulation

SUBSCRIBED and sworn to before me this 23rd day of July 2004.



Notary Public in and for the
State of Washington, residing in
Spokane.



AVISTA UTILITIES

Exhibit "A"

Proposed Tariff Sheets

July 23, 2004

AVISTA CORPORATION
d/b/a Avista Utilities

**SCHEDULE 150
PURCHASE GAS COST ADJUSTMENT - IDAHO**

APPLICABLE:

To Customers in the State of Idaho where Company has natural gas service available.

PURPOSE:

To pass through changes in costs resulting from rate adjustments imposed by the Company's suppliers, to become effective as noted below.

RATE:

- (a) The rates of firm gas Schedules 101, 111, 112, 121 and 122 are to be increased by 11.730¢ per therm in all blocks of these rate schedules.
- (b) The rates of interruptible Schedules 131 and 132 are to be increased by 10.750¢ per therm.
- (c) The rate for transportation under Schedule 146 is to be decreased by 0.000¢ per therm.

BALANCING ACCOUNT:

The Company will maintain a Purchase Gas Adjustment (PGA) Balancing Account whereby monthly entries into this Balancing Account will be made to reflect differences between the actual purchased gas costs collected from customers and the purchased gas costs determined under Schedule 163 – Natural Gas Benchmark mechanism. Those differences are then collected from or refunded to customers under Schedule 155 – Gas Rate Adjustment.

SPECIAL TERMS AND CONDITIONS:

The rates named herein are subject to increases as set forth in Schedule 158.

Issued July 23, 2004

Effective September 9, 2004

Issued by
By

Avista Utilities

Kelly Norwood
Kelly Norwood

, Vice-President, State & Fed. Regulation

AVISTA CORPORATION
d/b/a Avista Utilities

**SCHEDULE 150
PURCHASE GAS COST ADJUSTMENT - IDAHO**

APPLICABLE:

To Customers in the State of Idaho where Company has natural gas service available.

PURPOSE:

To pass through changes in costs resulting from rate adjustments imposed by the Company's suppliers, to become effective as noted below.

RATE:

- (a) The rates of firm gas Schedules 101, 111, 112, 121 and 122 are to be increased by 11.730¢ per therm in all blocks of these rate schedules.
- (b) The rates of interruptible Schedules 131 and 132 are to be increased by 10.750¢ per therm.
- (c) The rate for transportation under Schedule 146 is to be decreased by 0.000¢ per therm.

BALANCING ACCOUNT:

The Company will maintain a Purchase Gas Adjustment (PGA) Balancing Account whereby monthly entries into this Balancing Account will be made to reflect differences between the actual purchased gas costs collected from customers and the purchased gas costs determined under Schedule 163 – Natural Gas Benchmark mechanism. Those differences are then collected from or refunded to customers under Schedule 155 – Gas Rate Adjustment.

SPECIAL TERMS AND CONDITIONS:

The rates named herein are subject to increases as set forth in Schedule 158.

Issued July 23, 2004

Effective September 9, 2004

Issued by Avista Utilities

By

Kelly Norwood

Kelly Norwood

, Vice-President, State & Fed. Regulation

AVISTA CORPORATION
d/b/a Avista Utilities

**SCHEDULE 150
PURCHASE GAS COST ADJUSTMENT - IDAHO**

APPLICABLE:

To Customers in the State of Idaho where Company has natural gas service available.

PURPOSE:

To pass through changes in costs resulting from rate adjustments imposed by the Company's suppliers, to become effective as noted below.

RATE:

- (a) The rates of firm gas Schedules 101, 111, 112, 121 and 122 are to be increased by ~~00.000¢~~ per therm in all blocks of these rate schedules.
- (b) The rates of interruptible Schedules 131 and 132 are to be increased by ~~00.000¢~~ per therm.
- (c) The rate for transportation under Schedule 146 is to be decreased by 00.000¢ per therm.

BALANCING ACCOUNT:

The Company will maintain a Purchase Gas Adjustment (PGA) Balancing Account whereby monthly entries into this Balancing Account will be made to reflect differences between the actual purchased gas costs collected from customers and the purchased gas costs determined under Schedule 163 – Natural Gas Benchmark mechanism. Those differences are then collected from or refunded to customers under Schedule 155 – Gas Rate Adjustment.

SPECIAL TERMS AND CONDITIONS:

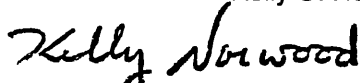
The rates named herein are subject to increases as set forth in Schedule 158.

Issued February 6, 2004

Effective March 9, 2004

Issued by Avista Utilities
By

Kelly O. Norwood - Vice-President, State & Federal Regulation



AVISTA UTILITIES

Exhibit "B"

Notice to Public of Applicant's Proposed Tariffs

July 23, 2004

AVISTA UTILITIES
NOTICE OF IDAHO TARIFF CHANGE
(Natural Gas Service Only)

Notice is hereby given that the "Sheet" listed below of Tariff IPUC No. 27, covering natural gas service applicable to Idaho customers of Avista Utilities has been filed with the Idaho Public Utilities Commission (IPUC) in Boise, Idaho.

Seventh Revision Sheet 150 canceling Sixth Revision Sheet 150

Seventh Revision Sheet 150 increases the cost of natural gas by 11.730 cents per therm for all firm sales customers and by 10.750 cents per therm for interruptible sales customers.

If the proposed tariff is approved by the IPUC, total Company Idaho revenues will increase by approximately \$7.8 million per year, or about 14.2%. This request is a Purchased Gas Cost Adjustment (PGA) that is filed annually to reflect changes in the cost of gas purchased by Avista to serve customers. Any increases or decreases resulting from these PGA filings directly result from the cost of gas purchased in the marketplace; Avista makes no additional profits from these rate changes.

A residential or small business customer served under Schedule 101 using an average of 70 therms per month can expect to see an average increase of approximately \$8.21 per month, or about 14.2%. Larger commercial customers served under Schedules 111 and 121 can expect to see an average increase of about 15.9% and 17.2% respectively, with the higher percentages due to lower base rates. However, actual customer increases will vary based on therms consumed.

This PGA request is independent of a general rate increase request filed with the IPUC in February that requests an increase of 7.8 percent to cover costs other than gas itself. (Avista has not had a general rate increase since 1989.) That filing also requests an average electric price increase of 8.6 percent. Decisions by the IPUC on all the pending requests are expected to become effective simultaneously on or about September 9, 2004.

Copies of the proposed tariff changes are available for inspection in the Company's offices or can be obtained by calling (509) 495-4067 or writing:

Avista Utilities
Attention: Ms. Patty Olsness
P.O. Box 3727
Spokane, WA. 99220

July 23, 2004

AVISTA UTILITIES

Exhibit "B - 1"

**Notice Mailed to Each Idaho Gas Customer
of Applicant's Proposed Tariff Change**

July 23, 2004

Avista Proposes 14.2% Increase in Gas Prices due to Higher Cost of Natural Gas

On July 23, Avista filed with the Idaho Public Utilities Commission (IPUC) a request to increase natural gas rates by an average of 14.2% to be effective on or about Sept. 9, 2004. This request is a Purchased Gas

Important Notice for Idaho Natural Gas Customers

Cost Adjustment (PGA) that is filed annually to reflect changes in the cost of gas purchased by Avista to serve customers. Any increases or decreases resulting from these PGA filings directly result from the cost of gas purchased in the marketplace; Avista Utilities makes no additional profits from these rate changes.

This proposed increase reflects higher wholesale natural gas prices during 2004 as compared to 2003. These higher prices are expected to continue at current levels through the coming winter. The market price for natural gas can fluctuate based on supply and demand, similar to the prices for commodities such as wheat or crude oil. The increase in the wholesale cost of gas during 2004 is due to factors that affect short-term supply and demand, as well as the overall increase seen in other energy prices.

If the proposed increase is approved by the IPUC, total company revenues will increase by approximately \$7.8 million per year, or 14.2%. A residential or small business customer served under Schedule 101 using an average of 70 therms per month can expect to see an average increase of \$8.21 per month, or about 14.2%. Larger commercial and industrial customers served under Schedules 111 and 121 can expect to see an average increase of 15.9% and 17.2% respectively.

[Continued on reverse.]



Avista Proposes 14.2% Increase in Gas Prices due to Higher Cost of Natural Gas

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[Continued on reverse.]



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[Continued on reverse.]



with the higher increase percentages due to lower base rates. This request to increase natural gas rates is subject to public review and a decision by the IPUC. Copies of the filing and proposed tariff changes are available in Avista's offices and the office of the IPUC.

This PGA request is independent of the general rate increase request filed by Avista Utilities with the Idaho Public Utilities Commission (IPUC) in February. That request for an average natural gas price increase of 7.8 percent is related to the increased ownership and operating costs associated with delivering natural gas to the customer. Avista has not had a general natural gas rate increase since 1989. Decisions by the IPUC on these requests are expected simultaneously for an effective date on or about Sept. 9, 2004.

Now is the time to prepare for winter heating bills.

Take time to ensure that your home is properly sealed and insulated. Check the caulking around your windows and door frames. Also

[Visit www.avistautilities.com for energy saving ideas]

check the insulation in your attic. A well-

insulated residence will keep the heat from escaping and can save in heating costs.

If you are not already on Comfort Level Billing, consider applying for this free service. Comfort Level Billing averages your annual bill into equal monthly payments.

Natural Gas – A valuable heating source.

Even with this increase, natural gas is still a good value compared to other energy sources. Natural gas is also safe, clean, comfortable and reliable.

For more information on conservation tips, energy assistance programs, and bill payment plans, visit our website at www.avistautilities.com or call us at 1-800-227-9187.



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AVISTA UTILITIES

Exhibit "C"

Workpapers

July 23, 2004

Avista Utilities
 Calculation of Idaho Present Rates

Sch No.	Description	Present Tariff Rate	Present Schedule 150	Present Schedule 155	Present Schedule 191 (DSM)	Total Present Rate
101	General	\$0.47011	\$0.27186	\$0.03093	\$0.00426	\$0.77716
111	Large General					
	First 200	\$0.48649	\$0.27186	\$0.03093	\$0.00373	\$0.79301
	Next 800	\$0.47011	\$0.27186	\$0.03093	\$0.00373	\$0.77663
	Over 1,000	\$0.37789	\$0.27186	\$0.03093	\$0.00373	\$0.68441
112	Large General					
	First 200	\$0.48649	\$0.27186	\$0.00000	\$0.00373	\$0.76208
	Next 800	\$0.47011	\$0.27186	\$0.00000	\$0.00373	\$0.74570
	Over 1,000	\$0.37789	\$0.27186	\$0.00000	\$0.00373	\$0.65348
121	Commercial					
	First 500	\$0.47666	\$0.27186	\$0.03093	\$0.00354	\$0.78299
	Next 500	\$0.47011	\$0.27186	\$0.03093	\$0.00354	\$0.77644
	Next 9,000	\$0.37789	\$0.27186	\$0.03093	\$0.00354	\$0.68422
	Over 10,000	\$0.36098	\$0.27186	\$0.03093	\$0.00354	\$0.66731
122	Commercial					
	First 500	\$0.47666	\$0.27186	\$0.00000	\$0.00354	\$0.75206
	Next 500	\$0.47011	\$0.27186	\$0.00000	\$0.00354	\$0.74551
	Next 9,000	\$0.37789	\$0.27186	\$0.00000	\$0.00354	\$0.65329
	Over 10,000	\$0.36098	\$0.27186	\$0.00000	\$0.00354	\$0.63638
131	Interruptible	\$0.31354	\$0.24370	\$0.03500	\$0.00294	\$0.59518
132	Interruptible	\$0.31354	\$0.24370	\$0.00000	\$0.00294	\$0.56018
146	Transportation	\$0.13567	(\$0.02993)	\$0.00000	\$0.00000	\$0.10574
Special Amortization Rates				\$0.00000		\$0.00000

Avista Utilities
Calculation of Idaho Proposed Rates

Sch No.	Description	Present Tariff Rate	Proposed Schedule 150	Proposed Schedule 155	Present Schedule 191 (DSM)	Total Proposed Rate
101	General	\$0.47011	\$0.38916	\$0.03093	\$0.00426	\$0.89446
111	Large General					
	First 200	\$0.48649	\$0.38916	\$0.03093	\$0.00373	\$0.91031
	Next 800	\$0.47011	\$0.38916	\$0.03093	\$0.00373	\$0.89393
	Over 1,000	\$0.37789	\$0.38916	\$0.03093	\$0.00373	\$0.80171
112	Large General					
	First 200	\$0.48649	\$0.38916		\$0.00373	\$0.87938
	Next 800	\$0.47011	\$0.38916		\$0.00373	\$0.86300
	Over 1,000	\$0.37789	\$0.38916		\$0.00373	\$0.77078
121	Commercial					
	First 500	\$0.47666	\$0.38916	\$0.03093	\$0.00354	\$0.90029
	Next 500	\$0.47011	\$0.38916	\$0.03093	\$0.00354	\$0.89374
	Next 9,000	\$0.37789	\$0.38916	\$0.03093	\$0.00354	\$0.80152
	Over 10,000	\$0.36098	\$0.38916	\$0.03093	\$0.00354	\$0.78461
122	Commercial					
	First 500	\$0.47666	\$0.38916		\$0.00354	\$0.86936
	Next 500	\$0.47011	\$0.38916		\$0.00354	\$0.86281
	Next 9,000	\$0.37789	\$0.38916		\$0.00354	\$0.77059
	Over 10,000	\$0.36098	\$0.38916		\$0.00354	\$0.75368
131	Interruptible	\$0.31354	\$0.35120	\$0.03500	\$0.00294	\$0.70268
132	Interruptible	\$0.31354	\$0.35120		\$0.00294	\$0.66768
146	Transportation	\$0.13567	(\$0.02993)			\$0.10574

Avista Utilities
State of Idaho
Recap of Rate Changes

Previous Rate	Proposed Rate	Increase <Decrease>
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Schedule 150

Schedule 101	\$0.27186	\$0.38916	\$0.11730
Schedule 111	\$0.27186	\$0.38916	\$0.11730
Schedule 112	\$0.27186	\$0.38916	\$0.11730
Schedule 121	\$0.27186	\$0.38916	\$0.11730
Schedule 122	\$0.27186	\$0.38916	\$0.11730
Schedule 131	\$0.24370	\$0.35120	\$0.10750
Schedule 132	\$0.24370	\$0.35120	\$0.10750
Schedule 146	(\$0.02993)	(\$0.02993)	

Schedule 155

Schedule 101	\$0.03093	\$0.03093	
Schedule 111	\$0.03093	\$0.03093	
Schedule 112			
Schedule 121	\$0.03093	\$0.03093	
Schedule 122			
Schedule 131	\$0.03500	\$0.03500	
Schedule 132			
Schedule 146			

Special Amortization Rates

Combined Schedule 150 & 155

Schedule 101	\$0.30279	\$0.42009	\$0.11730
Schedule 111	\$0.30279	\$0.42009	\$0.11730
Schedule 112	\$0.27186	\$0.38916	\$0.11730
Schedule 121	\$0.30279	\$0.42009	\$0.11730
Schedule 122	\$0.27186	\$0.38916	\$0.11730
Schedule 131	\$0.27870	\$0.38620	\$0.10750
Schedule 132	\$0.24370	\$0.35120	\$0.10750
Schedule 146	(\$0.02993)	(\$0.02993)	

Special Amortization Rates

Avista Utilities
 State of Idaho
 Average Increase Per Customer

Sch	Actual Annual Usage	Average Monthly Usage	Actual Average No. Of. Cust.	Average Mo. Usage Per Cust.	Present Rate	Total Present Cost	Proposed Rate	Total Proposed Cost	Estimated Monthly Increase	Estimated Increase Percentage
101	50,762,268	4,230,189	60,922	70	\$0.77716	\$54.40	\$0.89446	\$62.61		
			Basic Charge		\$3.28	\$3.28		\$3.28		
						<u>\$57.68</u>		<u>\$65.89</u>	\$8.21	14.23%
111	12,669,507	1,055,792	580	1,820						
			First 200		\$0.79301	\$158.60	\$0.91031	\$182.06		
			Next 800		\$0.77663	\$621.30	\$0.89393	\$715.14		
			All Over 1,000		\$0.68441	\$561.22	\$0.80171	\$657.40		
						<u>\$1,341.12</u>		<u>\$1,554.60</u>	\$213.48	15.92%
112	141,148	11,762	2	5,880						
			First 200		\$0.76208	\$152.42	\$0.87938	\$175.88		
			Next 800		\$0.74570	\$596.56	\$0.86300	\$690.40		
			All Over 1,000		\$0.65348	\$3,188.98	\$0.77078	\$3,761.41		
						<u>\$3,937.96</u>		<u>\$4,627.69</u>	\$689.73	17.51%
121	1,959,221	163,268	8	20,409						
			First 500		\$0.78299	\$391.50	\$0.90029	\$450.15		
			Next 500		\$0.77644	\$388.22	\$0.89374	\$446.87		
			Next 9,000		\$0.68422	\$6,157.98	\$0.80152	\$7,213.68		
			All Over 10,000		\$0.66731	\$6,946.03	\$0.78461	\$8,167.01		
						<u>\$13,883.73</u>		<u>\$16,277.71</u>	\$2,393.98	17.24%
122	313,905	26,159	1	26,159						
			First 500		\$0.75206	\$376.03	\$0.86936	\$434.68		
			Next 500		\$0.74551	\$372.76	\$0.86281	\$431.41		
			Next 9,000		\$0.65329	\$5,879.61	\$0.77059	\$6,935.31		
			All Over 10,000		\$0.63638	\$10,283.26	\$0.75368	\$12,178.72		
						<u>\$16,911.66</u>		<u>\$19,980.12</u>	\$3,068.46	18.14%
131					\$0.59518		\$0.70268			
132	670,489	55,874	2	27,937	\$0.56018	\$15,649.75	\$0.66768	\$18,652.98	\$3,003.23	19.19%

Avista Utilities
State of Idaho - Weighted Average Cost of Gas
12 Months Ended June 30, 2004

Notes		System Billing Determinants	Daily Rate Per MMBTU	Monthly Rate Per Therm	System Total Cost	Allocated To Idaho (Percent)	Idaho Costs	Demand 1	Commodity
NORTHWEST PIPELINE									
1	TF-2 Demand Charge	848,040	\$0.27685	\$0.84209	\$714,126	26.860%	\$191,814	\$191,814	
2	TF-2 Transportation Charge	24,867,000	\$0.03000	\$0.00300	\$74,601	27.474%	\$20,496		\$20,496
	SGS- Commodity	Washington Idaho	18,307,000		\$0.54028	\$9,890,906			
			6,560,000		\$0.54316	\$3,563,130	100.000%	\$3,563,130	\$3,563,130
1	LS-1 Demand Deliverability	2,640,000	\$0.02600	\$0.07908	\$208,771	26.860%	\$56,076	\$56,076	
1	Demand Capacity	18,397,800	\$0.00332	\$0.01010	\$185,818	26.860%	\$49,911	\$49,911	
2	Vaporization		\$0.03030	\$0.09216		27.474%			
2	Commodity					27.474%			
1	TF-1 Demand Charge	15,693,420	\$0.27685	\$0.84209	\$13,215,272	26.860%	\$3,549,622	\$3,549,622	
	Idaho Capacity Releases		\$0.27685	\$0.84209		100.000%			
	Washington Capacity Releases	1,272,000	\$0.27685	\$0.84209	\$1,071,138				
1	Long Term Releases		\$0.27685	\$0.84209		26.860%			
2	Commodity - System Use	115,129,300	\$0.03210	\$0.00321	\$369,565	27.474%	\$101,534		\$101,534
OTHER GAS TRANSMISSION									
1	TCPLBC (Alberta Nat. Gas) Demand	10,629,060	\$0.04716	\$0.14344	\$1,524,632	26.860%	\$409,516	\$409,516	
2	TCPLBC (Alberta Nat. Gas) Commodity	100,000,000		\$0.0003167	\$31,670	27.474%	\$8,701		\$8,701
1	GTN (PGT) Demand	11,783,220			\$2,450,090	26.860%	\$658,094	\$658,094	
	GTN (PGT) Capacity Releases					26.860%			
2	GTN (PGT) T-1/3 Commodity	115,000,000		\$0.00106	\$121,900	27.474%	\$33,491		\$33,491
1	TCPL Alberta (NOVA) Demand	11,780,280	\$0.12489	\$0.37987	\$4,474,975	26.860%	\$1,201,978	\$1,201,978	
	TCPL Alberta (Duke) Receipt	5,802,828		\$0.119441	\$693,096	26.860%	\$186,166	\$186,166	
	TCPL Alberta (Duke) Delivery	5,802,828		\$0.116412	\$675,519	26.860%	\$181,444	\$181,444	
	TCPL BC (Duke)	5,802,828		\$0.055848	\$324,076	26.860%	\$87,047	\$87,047	
GAS SOURCES									
2	Gas Purchases	230,129,300		\$0.56900	\$130,943,572	27.474%	\$35,975,437		\$35,975,437
OTHER									
2	Benchmark Capacity Releases/Off-System Sales						(\$1,057,000)		(\$1,057,000)
2	Benchmark Administrative Cost Savings								
	GRI Funding						\$32,000		\$32,000
1	Cascade Revenue				(\$650,000)	26.860%	(\$174,590)	(174,590)	
	Total Costs	<u>254,996,300</u>			<u>\$169,882,857</u>		<u>\$45,074,867</u>	<u>\$6,397,078</u>	<u>\$38,677,789</u>
	Estimated Therms						68,765,191	69,391,419	
	Weighted Average Cost of Gas (WACOG)						\$0.09303	\$0.55739	
	Present Gas Costs in Rates						\$0.08323	\$0.44989	
	Rate Change						\$0.11730	\$0.00980	\$0.10750
Note 1 - Based on 5 day peak study						<u>26.860%</u>	Sch 101	Sch 101	
							Sch 111	Sch 111	
Note 2 - Commodity Allocation Percentage							Sch 112	Sch 112	
							Sch 121	Sch 121	
Total Therms Purchased							Sch 122	Sch 122	
							Sch 131	Sch 131	
Allocation Percentage							Sch 132	Sch 132	
						<u>72.526%</u>	<u>27.474%</u>	<u>100.000%</u>	

Avista Utilities
State of Idaho
Calculation of NWP TF-1 Billing Determinates

	TF-10	F-164	Total	Oregon Portion	Seasonal Reduction	Oregon Portion	Total
January	1,641,410	100,000	1,741,410	(308,710)			1,432,700
February	1,641,410	100,000	1,741,410	(308,710)			1,432,700
March	1,641,410	100,000	1,741,410	(308,710)			1,432,700
April	1,641,410	100,000	1,741,410	(308,710)			1,432,700
May	1,641,410	100,000	1,741,410	(308,710)			1,432,700
June	1,641,410	100,000	1,741,410	(308,710)	(69,890)	13,145	1,375,955
July	1,641,410	100,000	1,741,410	(308,710)	(69,890)	13,145	1,375,955
August	1,641,410	100,000	1,741,410	(308,710)	(69,890)	13,145	1,375,955
September	1,641,410	100,000	1,741,410	(308,710)	(69,890)	13,145	1,375,955
October	1,641,410	100,000	1,741,410	(308,710)			1,432,700
November	1,641,410	100,000	1,741,410	(308,710)			1,432,700
December	1,641,410	100,000	1,741,410	(308,710)			1,432,700
Total	<u>19,696,920</u>	<u>1,200,000</u>	<u>20,896,920</u>	<u>(3,704,520)</u>	<u>(279,560)</u>	<u>52,580</u>	<u>16,965,420</u>

Avista Utilities
 State of Idaho - Weighted Average Cost of Gas
 Estimated Transportation Therms/Revenue

	Daily Firm	Annualized Volumes	NWP Demand Rate (Note 2)	Annual Estimated Revenue
Washington Transporters				
Empire Health Services	7,000	84,000	\$0.84209	\$70,736
Eastern Washington University	7,000	84,000	0.84209	70,736
Sacred Heart	4,000	48,000	0.84209	40,420
Kaiser Mead	23,500	282,000	0.84209	237,469
Kaiser Trentwood	64,500	774,000	0.84209	651,778
Total Washington	106,000	1,272,000		1,071,139
Idaho Transporters				
Potlatch (Note 1)			0.84209	
University of Idaho (Note 1)			0.84209	
Total Idaho				
Total Washington/Idaho	106,000	1,272,000		\$1,071,139

Note 1 - These customers are no longer have a Buy/Sell Arrangement but are billed direct by NW Pipeline

Note 2 - Northwest Pipeline Twenty-Seventh Revised Sheet 5 effective 8/1/04

TF Daily Demand Rate (High Load Factor)	\$0.27685
GRI Adjustment	
	<u>\$0.27685</u>
Annualize	365 Days
Divide by 12 Months	12
Divide by 10 to convert from MMBTU's to Therms	10
	<u><u>\$0.84209</u></u>

Avista Utilities
 State of Idaho
 Recap of Changes To Schedule 150
 Anticipated Effect Date 9/9/04

CENTS PER THERM

	Commodity	D-1 Charge	D-2 Charge & SGS	Total
Schedule 101				
Current Rate	0.27363	0.02816	(0.02993)	0.27186
Proposed Incr<Decr>	0.10750	0.00980		0.11730
Proposed Rate	0.38113	0.03796	(0.02993)	0.38916
Schedule 111				
Current Rate	0.27363	0.02816	(0.02993)	0.27186
Proposed Incr<Decr>	0.10750	0.00980		0.11730
Proposed Rate	0.38113	0.03796	(0.02993)	0.38916
Schedule 112				
Current Rate	0.27363	0.02816	(0.02993)	0.27186
Proposed Incr<Decr>	0.10750	0.00980		0.11730
Proposed Rate	0.38113	0.03796	(0.02993)	0.38916
Schedule 121				
Current Rate	0.27363	0.02816	(0.02993)	0.27186
Proposed Incr<Decr>	0.10750	0.00980		0.11730
Proposed Rate	0.38113	0.03796	(0.02993)	0.38916
Schedule 122				
Current Rate	0.27363	0.02816	(0.02993)	0.27186
Proposed Incr<Decr>	0.10750	0.00980		0.11730
Proposed Rate	0.38113	0.03796	(0.02993)	0.38916
Schedule 131				
Current Rate	0.27363		(0.02993)	0.24370
Proposed Incr<Decr>	0.10750			0.10750
Proposed Rate	0.38113		(0.02993)	0.35120
Schedule 132				
Current Rate	0.27363		(0.02993)	0.24370
Proposed Incr<Decr>	0.10750			0.10750
Proposed Rate	0.38113		(0.02993)	0.35120
Schedule 146 (Firm)				
Current Rate			(0.02993)	(0.02993)
Proposed Incr<Decr>				
Proposed Rate			(0.02993)	(0.02993)
Schedule 146 (Int)				
Current Rate			(0.02993)	(0.02993)
Proposed Incr<Decr>				
Proposed Rate			(0.02993)	(0.02993)

**Jackson Prairie Inventory/Prepaid Gas
Account 9164.10
Dekatherms**

	ID Benchmark Volumes	ID %	ID Injection (Withdrawal)	Volume Balance	Amount	Cost Balance	ID WACOG
Jun-03	600,000	26.38%	158,280	249,732	\$ 823,544.31	\$ 1,264,073.58	5.0617
Jul-03	620,000	26.38%	163,556	413,288	\$ 857,592.44	\$ 2,121,666.02	5.1336
Aug-03	620,000	26.38%	163,556	576,844	\$ 694,669.84	\$ 2,816,335.86	4.8823
Sep-03	300,000	26.38%	79,140	655,984	\$ 365,025.47	\$ 3,181,361.33	4.8498
Oct-03	-	26.38%	-	655,984	\$ -	\$ 3,181,361.33	4.8498
Nov-03	(236,670)	26.38%	(62,434)	593,550	\$ (302,792.41)	\$ 2,878,568.92	4.8497
Dec-03	(620,000)	26.38%	(163,556)	429,994	\$ (793,197.53)	\$ 2,085,371.39	4.8498
Jan-04	(953,129)	26.38%	(251,435)	178,559	\$ (1,219,409.46)	\$ 865,961.93	4.8497
Feb-04	(676,874)	26.38%	(178,559)	-	\$ (865,961.93)	\$ -	-
Mar-04	-	26.38%	-	-	\$ -	\$ -	-
Apr-04	-	26.38%	-	-	\$ -	\$ -	-
May-04	346,673	30.00%	104,002	104,002	\$ 528,072.05	\$ 528,072.05	5.0775
Jun-04	600,000	28.00%	168,000	272,002	\$ 949,335.11	\$ 1,477,407.16	5.4316

Avista Utilities
State of Idaho
Calculation of PGT Transportation Rate

Commodity		System Therms	System Cost	Rate Per Therm
May	2004	4,780,410	\$3,662.86	
June	2003	3,309,310	\$2,468.69	
July		2,568,220	\$2,418.45	
August		3,284,620	\$2,744.31	
September		4,446,370	\$3,859.74	
October		6,651,670	\$5,880.46	
November		11,984,450	\$12,995.72	
December		14,029,330	\$26,293.92	
January		14,373,380	\$16,957.93	
February		11,616,850	\$9,099.14	
March		10,353,470	\$8,837.22	
April		7,606,640	\$5,824.57	
		<u>95,004,720</u>	<u>\$101,043.01</u>	<u>\$0.00106</u>

Avista Utilities
State of Idaho - Estimated Therm Sales

	Sch 101	Sch 111	Sch 121	Sch 131	Total Est. Sales Therms		Sch 146	Sch 147	Potlatch	Total
January	7,686,973	1,685,050	178,452	46,720	9,597,195	555,135	442,227	4,758,942	15,353,499	
February	6,616,195	1,517,979	187,497	40,323	8,361,994	618,905	394,456	4,532,126	13,907,481	
March	6,790,003	1,475,015	164,179	40,022	8,469,219	662,171	357,290	4,931,538	14,420,218	
April	4,586,656	1,101,378	162,221	18,237	5,868,492	757,505	230,638	4,248,664	11,105,299	
May	2,708,464	815,572	159,817	53,649	3,737,502	550,160	407,196	4,585,061	9,279,919	
June	1,386,256	616,820	154,425	69,233	2,226,734	806,128	348,797	4,064,867	7,446,526	
July	882,427	397,779	178,777	73,936	1,532,919	726,779	398,148	4,376,455	7,034,301	
August	1,170,804	468,612	183,535	64,373	1,887,324	673,742	367,201	4,761,161	7,689,428	
September	2,035,060	629,437	171,303	52,653	2,888,453	659,386	369,711	3,829,676	7,747,226	
October	3,980,109	1,000,094	202,661	60,150	5,243,014	823,108	369,965	4,740,522	11,176,609	
November	7,581,061	1,728,253	203,362	62,009	9,574,685	943,351	331,783	4,945,709	15,795,528	
December	8,007,587	1,762,281	189,097	44,923	10,003,888	512,272	412,490	4,933,858	15,862,508	
	<u>53,431,595</u>	<u>13,198,270</u>	<u>2,135,326</u>	<u>626,228</u>	<u>69,391,419</u>	<u>8,288,642</u>	<u>4,429,902</u>	<u>54,708,579</u>	<u>136,818,542</u>	

Estimated Loss Factor

100.96%

Estimated Therms Purchased

70,057,600

Idaho Commodity Percentage

27.474%

Estimated System Therms Purchased

254,996,000

Avista Utilities
 State of Idaho - Estimated Therms Purchased

	Actual System Purchases For 12 Months Ended 05/31/04	Gas Control's Estimated Therms
Jackson Prairie Withdrawals		
Washington	18,306,890	24,866,700 Per First Revision Tariff Sheet 163A
Idaho	6,559,840	
Plymouth Withdrawals		
Firm Volumes	212,585,980	230,129,300
	<u>237,452,710</u>	<u>254,996,000</u>

Avista Utilities
State of Idaho
Calculation of Changes to Schedule 155

Current Rate Incr <Decr>	Proposed Rate Incr <Decr>	Total Proposed Incr <Decr>
--------------------------------	---------------------------------	----------------------------------

Firm Customers, Schs 101, 111 & 121

\$0.03093

\$0.03093

Firm Customers, Schedules 112 & 122

Interruptible Customers, Schedules 131

\$0.03500

\$0.03500

Interruptible Customers, Schedules 132

Transportation Customers, Schedules 146

Special Amortization Rates

Avista Utilities
Idaho Gas Tracker

	Unamortized Deferrals (Acct 191.40) (Note 2)	Current Deferrals (Acct 191.41)	Total	Adjustments	Total
All Firm Customers	(24,615.93)	1,384,186.84	1,359,570.91		1,359,570.91
All Sales Customers	(254,174.14)	2,182,092.17	1,927,918.03		1,927,918.03
Coeur d' Alene Asphalt - Note 1	(5.70)	(77.89)	(83.59)	83.47	(0.12)
Coeur d' Alene Resort	(643.33)	(175.72)	(819.05)		(819.05)
Coeur d' Alene Fiber Fuel	(4.62)	(166.67)	(171.29)		(171.29)
Idaho Asphalt	(0.15)	(0.18)	(0.33)		(0.33)
Imsamet					
Interstate Asphalt - Note 1	31.68	(4,470.33)	(4,438.65)	(83.47)	(4,522.12)
Kootenai Medical Center	0.01	(34.25)	(34.24)		(34.24)
Lignetics		(0.05)	(0.05)		(0.05)
Louisiana Pacific	1.03	(118.14)	(117.11)		(117.11)
Merritt Brothers	3.10	4.87	7.97		7.97
Potlatch	8.35	10.52	18.87		18.87
Stimson Lumber - River Avenue	(4.05)	7,835.11	7,831.06		7,831.06
Stimson Lumber - Seltice Way	(28.84)	124.32	95.48		95.48
St. Joseph Hospital	(10,513.35)	8,308.76	(2,204.59)		(2,204.59)
University of Idaho	0.40	(442.63)	(442.23)		(442.23)
	<u>(289,945.54)</u>	<u>3,577,076.73</u>	<u>3,287,131.19</u>		<u>3,287,131.19</u>

Note 1 - Interstate Asphalt bought out Coeur d' Alene Asphalt

Note 2 - Unamortized Deferrals include estimated amortization through 8/04

Avista Utilities													
State of Idaho													
Account 191.40 Detail													
	Tracker	2/29/04	3/31/04	4/30/04	5/31/04	6/30/04	7/31/04	8/31/04	9/30/04	10/31/04	11/30/04		
	Transfer	Amortization	Interest	Balance	Amortization	Interest	Balance	Amortization	Interest	Balance	Amortization		
Firm Customers		38,485.16	(81.38)	(78,500.56)	23,825.13	(55.49)	(54,730.92)	16,661.89	(38.67)	(38,107.70)	13,517.89	(26.12)	(24,615.93)
All Sales Customers		(330,782.55)	312.51	209,934.79	(204,523.93)	89.73	5,500.59	(142,585.34)	(54.82)	(137,139.57)	(116,871.58)	(162.99)	(254,174.14)
CDA Asphalt				(5.70)			(4.62)			(5.70)			(5.70)
CDA Fiber Fuel				(4.62)			(4.62)			(4.62)			(4.62)
CDA Resort			(3.42)	(4,105.99)		(3.42)	(4,109.41)		(3.42)	(4,112.83)	3,471.48	(1.98)	(643.33)
Hughes Greenhouse													
Idaho Asphalt				(0.15)			(0.15)			(0.15)			(0.15)
Interstate Asphalt			0.03	31.59		0.03	31.62		0.03	31.65		0.03	31.68
Kootenai Medical Center				0.01			0.01			0.01			0.01
Lignetics													
Louisiana Pacific				1.03			1.03			1.03			1.03
Merritt Brothers				3.10			3.10			3.10			3.10
Podlatch			0.01	8.32		0.01	8.33		0.01	8.34		0.01	8.35
Stinson Lumber - River Ave.				(4.05)			(4.05)			(4.05)			(4.05)
Stinson Lumber - Seltree Way			(0.02)	(28.78)		(0.02)	(28.80)		(0.02)	(28.82)		(0.02)	(28.84)
University of Idaho				0.40			0.40			0.40			0.40
St. Joseph	5,333.40	S/B a debit	(16.34)	(15,899.75)	1,961.65	(12.43)	(13,950.53)	1,737.30	(10.90)	(12,224.13)	1,720.25	(9.47)	(10,513.35)
		2,123.40											
Total Acct 191.40	5,333.40	(290,173.99)	211.39	111,429.64	(178,737.15)	18.41	(67,289.10)	(124,186.15)	(107.79)	(191,583.04)	3,471.48	(200.54)	(289,945.54)

Avista Utilities		State of Idaho		Account 191.40 Detail		11/30/03		11/30/03		12/31/03		1/31/04		1/31/04		2/29/04	
	Interest	Balance	Direct Refunds	Amortization	Interest	Balance	Transfer	Amortization	Interest	Balance	Tracker Adjustment	Amortization	Interest	Balance			
Firm Customers	(24.31)	(6,365.61)		39,426.45	22.25	33,083.09	(236,847.25)	41,700.58	(107.48)	(162,171.06)	57.21	45,325.74	(116.23)	(116,904.34)			
All Sales Customers	3,920.14	2,280,648.90		(339,026.81)	3,518.54	1,945,140.63	(660,682.14)	(358,828.19)	3,589.43	929,219.73		(389,426.98)	612.08	540,404.83			
CDA Asphalt	0.01	3.90			0.01	3.91	(9.61)			(5.70)				(5.70)			
CDA Fiber Fuel	(0.65)	(388.49)	(255.91)		(0.86)	(645.26)	641.18		(0.54)	(4.62)				(4.62)			
CDA Resort	(8.60)	(5,167.96)	330.98		(8.34)	(4,845.32)	753.62		(7.45)	(4,099.15)			(3.42)	(4,102.57)			
Hughes Greenhouse	0.07	40.18	(56.85)		0.02	(16.65)	17.02		(0.01)	0.36	(0.36)						
Idaho Asphalt	(0.02)	(10.19)	(15.10)		(0.03)	(25.32)	25.19		(0.02)	(0.15)			0.03	(0.15)			
Interstate Asphalt	0.21	126.68	14,630.75		12.40	14,769.83	(14,750.62)		12.32	31.53				31.56			
Kootenai Medical Center		2.01	3.05		0.01	5.07	(5.06)			0.01				0.01			
Lignetics		(1.12)	(1.69)			(2.81)	2.81										
Louisiana Pacific	0.13	76.91	114.49		0.22	191.62	(190.75)		0.16	1.03				1.03			
Merritt Brothers	0.35	207.51	515.52		0.78	723.81	(721.32)		0.61	3.10				3.10			
Podlatch	1.04	624.98	930.77		1.82	1,557.57	(1,550.57)		1.30	8.30			0.01	8.31			
Stinson Lumber - River Ave.	(0.58)	(348.82)	(168.76)		(0.72)	(518.30)	514.68		(0.43)	(4.05)				(4.05)			
Stinson Lumber - Selfice Way	(5.04)	(3,029.86)	2,388.74		(3.06)	(644.18)	616.00		(0.56)	(28.74)			(0.02)	(28.76)			
University of Idaho	0.05	29.91	44.51		0.09	74.51	(74.17)		0.06	0.40				0.40			
St. Joseph	(10.85)	(6,521.59)	20,627.73		6.32	14,112.46	(14,160.22)		11.72	(36.04)	(20,627.73)		(9.74)	(23,340.21)			
Total Acct 191.40	3,871.95	2,259,927.34	39,088.23	(299,600.36)	3,549.45	2,002,964.66	(926,421.21)	(317,127.61)	3,499.11	762,914.95	(20,570.88)	(346,767.94)	482.71	396,058.84			

Avisia Utilities		6/30/03		7/31/03		8/31/03		8/31/03		9/30/03		10/31/03		10/31/03	
State of Idaho		Balance	Amortization	Interest	Balance	Amortization	Interest	Balance	Amortization	Interest	Balance	Amortization	Interest	Balance	Amortization
Account 191.40 Detail															
Firm Customers	(67,321.46)	13,677.13	(100.80)	8,898.06	(82.16)	(44,929.23)	9,829.96	(35,165.96)	12,381.85	(48.29)	(22,832.40)				
All Sales Customers	3,305,299.02	(274,797.57)	5,279.83	(178,408.89)	4,910.97	2,862,283.36	(196,279.10)	2,670,611.16	(247,409.92)	4,244.84	2,427,446.08				16,491.10
CDA Asphalt	3.85		0.01		0.01	3.87		3.88		0.01	3.89				
CDA Fiber Fuel	(385.27)		(0.64)		(0.64)	(386.55)		(387.19)		(0.65)	(387.84)				
CDA Resort	(1,084.60)	(1,505.21)	(3.06)	(2,538.87)	(6.44)	(5,138.18)	(2,418.32)	(7,567.08)	2,418.32	(10.60)	(5,159.36)				
Hughes Greenhouse	39.83		0.07	39.90	0.07	39.97		40.04		0.07	40.11				
Idaho Asphalt	(10.09)		(0.02)	(10.11)	(0.02)	(10.13)		(10.15)		(0.02)	(10.17)				
Interstate Asphalt	125.63		0.21	125.84	0.21	126.05		126.26		0.21	126.47				
Kootenai Medical Center	2.01			2.01		2.01		2.01			2.01				
Lignetics	(1.12)			(1.12)		(1.12)		(1.12)			(1.12)				
Louisiana Pacific	76.26		0.13	76.39	0.13	76.52		76.65		0.13	76.78				
Merritt Brothers	205.80		0.34	206.14	0.34	206.48		206.82		0.34	207.16				
Podlatch	619.80		1.03	620.83	1.03	621.86		622.90		1.04	623.94				
Stinson Lumber - River Ave.	(345.92)		(0.58)	(346.50)	(0.58)	(347.08)		(347.66)		(0.58)	(348.24)				
Stinson Lumber - Seltice Way	(3,004.74)		(5.01)	(3,009.75)	(5.02)	(3,014.77)		(3,019.79)		(5.02)	(3,024.82)				
University of Idaho	29.66		0.05	29.71	0.05	29.76		29.81		0.05	29.86				
St. Joseph	(6,467.51)		(10.78)	(6,478.29)	(10.80)	(6,489.09)		(6,499.91)		(10.82)	(6,510.74)				
Total Acct 191.40	3,227,781.15	(262,625.65)	5,160.78	(172,049.70)	4,807.15	2,803,073.73	(188,867.46)	2,618,720.67	(232,609.75)	4,514.40	2,390,281.61				(134,226.22)

AVISTA UTILITIES

Exhibit "D"

**Pipeline Tariff Sheets
Used In This Filing**

July 23, 2004

STATEMENT OF RATES						
Effective Rates Applicable to Rate Schedules TF-1, TF-2 and TI-1						
(Dollars per Dth)						
Rate Schedule and Type of Rate	Base Tariff Rate		ACA(2)	Currently Effective Tariff Rate(3)		
	Minimum	Maximum		Minimum	Maximum	
Rate Schedule TF-1 (4) (5)						
Reservation						
(Large Customer)						
System-Wide	.00000	.27685	-	.00000	.27685	
15 Year Evergreen Exp.	.00000	.39439	-	.00000	.39439	
25 Year Evergreen Exp.	.00000	.37790	-	.00000	.37790	
Volumetric						
(Large Customer)	.01225	.03000	.00210	.01435	.03210	
(Small Customer) (6)	.01225	.58521	.00210	.01435	.58731	
Scheduled Overrun	.01225	.30760	.00210	.01435	.30970	
Rate Schedule TF-2 (4) (5)						
Reservation	.00000	.27685	-	.00000	.27685	
Volumetric	.01225	.03000	-	.01225	.03000	
Scheduled Daily Overrun	.01225	.30760	-	.01225	.30760	
Annual Overrun	.01225	.30760	-	.01225	.30760	
Rate Schedule TI-1						
Volumetric (7)	.01225	.30760	.00210	.01435	.30970	
Scheduled Overrun	.01225	.30760	.00210	.01435	.30970	

STATEMENT OF RATES (Continued)

Effective Rates Applicable to Rate Schedule LS-1

(Dollars per Dth)

Type of Rate	Currently Effective Tariff Rate (1)
Demand Charge (2)	0.02600
Capacity Charge (2)	0.00332
Liquefaction	0.55685
Vaporization	0.03030

Footnotes

- (1) Shippers receiving service under this rate schedule are required to furnish fuel reimbursement in-kind at the rate specified on Sheet No. 14.
- (2) Rates are daily rates computed on the basis of 365 days per year, except that rates for leap years are computed on the basis of 366 days.

AVISTA UTILITIES

Exhibit "E"

Press Release

July 23, 2004



News Release

Contact: Media Contact: Catherine Markson (509) 495-2916 catherine.markson@avistacorp.com
Investor Contact: Angela Teed (509) 495-2930 angela.teed@avistacorp.com

**FOR IMMEDIATE RELEASE:
July 23, 2004
8:30 a.m. EDT**

Avista Utilities Files for Natural Gas Price Adjustment in Idaho *New rates would become effective on or about Sept. 9 if approved by regulators*

Spokane, Wash.: Avista Corp. (NYSE:AVA) filed a request today with Idaho regulators to increase natural gas rates to reflect higher current and projected wholesale natural gas prices.

This request is a Purchased Gas Cost Adjustment (PGA) that is filed annually to reflect changes in the cost of gas purchased by Avista to serve customers. Any increases or decreases related to these PGA filings directly result from the cost of gas purchased in the marketplace. Avista Utilities makes no additional profits from these rate changes.

This proposed increase reflects higher wholesale natural gas prices during 2004, as compared to 2003. These higher prices are expected to continue at or near current levels through the coming winter. The market price for natural gas can fluctuate based on supply and demand, similar to the prices for commodities such as wheat or crude oil. The increase in the wholesale cost of gas during 2004 is due to factors that affect short-term supply and demand, as well as the overall increase seen in other energy prices.

Avista is requesting an overall price increase of 14.2 percent, or \$7.8 million in annual revenues. A residential or small business customer using an average of 70 therms per month can expect to see an average increase of \$8.21 per month, or about 14.2 percent. Larger commercial and industrial customers can expect to see an average increase between 15.9 and 17.2 percent, with the higher increase percentages due to lower base rates.

This PGA request is independent of the general rate increase request filed by Avista with the Idaho Public Utilities Commission (IPUC) in February. That request for an average natural gas price increase of 7.8 percent is related to the increased ownership and operating costs associated with delivering natural gas to the customer. Avista has not had a general natural gas rate increase since 1989. Decisions by the IPUC on these requests are expected simultaneously for an effective date on or about Sept. 9, 2004.

- more -

page two Avista Utilities Files for Natural Gas Price Adjustment in Idaho

“We understand the impact that increased prices have on our customers, especially on those who have the most difficulty paying their energy bill,” said Scott Morris, president of Avista Utilities. “We have a number of programs to assist our customers in managing their energy bills including Project Share, an emergency energy assistance program.”

Other customer programs offered by Avista include energy conservation and efficiency programs; Comfort Level Billing, a plan that averages annual energy bills into equal monthly payments; and CARES, a program for customers facing financial hardships that provides assistance with payment arrangements and referrals to community resources. Avista also offers energy conservation education, including workshops or seniors, energy use guides and home visits by meter shop personnel to help customers reduce energy costs on a long-term basis.

For more information on conservation tips, energy assistance programs, and bill payment plans, customers may visit www.avistautilities.com or call Avista at (800) 227-9187.

Avista serves 62,000 natural gas customers in Idaho.

This request to increase natural gas rates is subject to public review and a decision by the IPUC. Copies of the filing and proposed tariff changes are available in Avista’s offices and the office of the IPUC.

Avista Corp. is an energy company involved in the production, transmission and distribution of energy as well as other energy-related businesses. Avista Utilities is a company operating division that provides service to 325,000 electric and 300,000 natural gas customers in four western states. Avista’s non-regulated subsidiaries include Avista Advantage and Avista Energy. Avista Corp.’s stock is traded under the ticker symbol “AVA.” For more information about Avista, please visit www.avistacorp.com.

Avista Corp. and the Avista Corp. logo are trademarks of Avista Corporation. All other trademarks mentioned in this document are the property of their respective owners.

This news release contains forward-looking statements regarding the company’s current expectations. Forward-looking statements are all statements other than historical facts. Such statements speak only as of the date of the news release and are subject to a variety of risks and uncertainties, many of which are beyond the company’s control, which could cause actual results to differ materially from the expectations. These risks and uncertainties include, in addition to those discussed herein, all of the factors discussed in the company’s Annual Report on Form 10-K for the year ended Dec. 31, 2003, and the Quarterly Report on Form 10-Q for the quarter ended March 31, 2004.

AVISTA UTILITIES

Exhibit "F"

Projected WACOG

July 23, 2004

Avista Utilities
 State of Idaho
 Estimated Commodity WACOG
 (Based on 7/12/04 Forward Prices)

		Idaho Volumes	Idaho WACOG	Idaho Cost	Other Idaho Cost	Total Idaho Cost
September	2004	2,888,450	\$0.51825	\$1,496,900		\$1,496,900
October		5,243,010	\$0.52755	\$2,765,900		\$2,765,900
November		9,574,680	\$0.56283	\$5,388,900		\$5,388,900
December		10,003,890	\$0.59173	\$5,919,600		\$5,919,600
January	2005	9,597,200	\$0.60843	\$5,839,200		\$5,839,200
February		8,361,990	\$0.60473	\$5,056,700		\$5,056,700
March		8,469,220	\$0.59143	\$5,008,900		\$5,008,900
April		5,868,490	\$0.53079	\$3,114,900		\$3,114,900
May		3,737,500	\$0.51799	\$1,936,000		\$1,936,000
June		2,226,730	\$0.51929	\$1,156,300		\$1,156,300
July		1,532,920	\$0.52309	\$801,800		\$801,800
August		1,887,320	\$0.52499	\$990,800		\$990,800
		<u>69,391,400</u>		<u>\$39,475,900</u>		<u>\$39,475,900</u>
Volumes						69,391,400
Estimated WACOG						<u><u>\$0.5690</u></u>