

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE SUBMISSION ) CASE NO. AVU-E-02-6**  
**OF THE STATUS REPORT OF AVISTA )**  
**CORPORATION AND APPLICATION ) NOTICE OF PUBLIC WORKSHOP**  
**FOR A CONTINUATION OF A POWER )**  
**COST ADJUSTMENT (PCA) ) NOTICE OF EXTENDED**  
**SURCHARGE. ) COMMENT/PROTEST DEADLINE**

Last year, on July 18, 2001, Avista Corporation dba Avista Utilities (Avista) filed an Application with the Idaho Public Utilities Commission (Commission) in Case No. AVU-E-01-11. The Company requested authority to implement an electric Schedule 66 Power Cost Adjustment (PCA) surcharge to recover accrued PCA deferral balances resulting from a combination of record-low hydroelectric generation and unprecedented high wholesale market prices and volatility. The balance in the Company's PCA deferral account for the Idaho jurisdiction at June 30, 2001 was \$30 million. The Company estimated that absent rate recovery, the deferral balance would increase to \$69 million by December 2001, \$72 million by the end of 2002 and \$88 million by the end of 2003. The Company requested a 27-month surcharge period through December 2003. The Commission in Order No. 28876 approved a 12-month surcharge of 19.4% (\$23.6 million) and directed the Company to file a status report 60 days prior to expiration of the authorized surcharge period, October 11, 2002. In its Order, the Commission stated, "if the status report and our review of the actual PCA deferral balance (at the end of 12 months) support continuation of the surcharge, we anticipate continuation of the surcharge for an additional period."

On August 9, 2002, Avista Corporation filed the status report required by Commission Order No. 28876 and an Application requesting a continuation of the PCA surcharge of 19.4% (\$23.6 million). As reflected in its filing, Avista states that the current status of the unrecovered PCA deferral balance as of June 30, 2002, is \$45,600,228 for its Idaho jurisdiction. Avista is requesting that the Commission continue the PCA surcharge for an additional 12 months, through October 11, 2003.

On August 28, 2002, the Commission issued a Notice of Application in Case No. AVU-E-02-6. The Commission also determined that the public interest in this matter may not

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require a hearing to consider the issues presented and that the issues raised by the Company's filing may be processed under Modified Procedure, i.e., by written submission rather than by hearing. Reference Commission Rules of Procedure, IDAPA 31.01.01.201-204. The Commission in its Notice established a September 18, 2002 deadline for filing written comments or protests.

YOU ARE HEREBY NOTIFIED that Commission Staff and representatives from Avista Utilities will hold a **public workshop** to discuss the Company's Application in Case No. AVU-E-02-6 and to answer questions from customers and interested parties. The workshop will be held on **WEDNESDAY, SEPTEMBER 18, 2002 COMMENCING AT 6:30 P.M. AT THE BEST WESTERN EDGEWATER RESORT, 56 BRIDGE STREET, SANDPOINT, IDAHO (208-263-3194).**

YOU ARE FURTHER NOTIFIED that the previously scheduled **deadline for filing written comments or protests** with respect to Avista's Application and the use of Modified Procedure **in Case No. AVU-E-02-6 is extended** from September 18 to **Friday, September 20, 2002**. Persons desiring a hearing must specifically request a hearing in their written protests or comments.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the deadline, the Commission may consider the matter on its merits and may enter its Order without a formal hearing. If comments or protests are filed within the deadline, the Commission will consider them and in its discretion may set the matter for hearing or may decide the matter and issue its Order on the basis of the written positions before it. Reference IDAPA 31.01.01.204.

YOU ARE FURTHER NOTIFIED that written comments concerning Case No. AVU-E-02-6 should be mailed to the Commission and the Company at the addresses reflected below.

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

Street Address for Express Mail:

472 W WASHINGTON ST  
BOISE, ID 83702-5983

KELLY O. NORWOOD  
VICE PRESIDENT  
RATES AND REGULATION  
AVISTA CORPORATION  
1411 E MISSION AVE  
PO BOX 3727  
SPOKANE, WA 99220  
[Kelly.norwood@avistacorp.com](mailto:Kelly.norwood@avistacorp.com)

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DAVID J. MEYER, ESQ.  
SENIOR VP AND GENERAL COUNSEL  
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All comments should contain the case caption and case number shown on the first page of this document.

Persons desiring to submit comments via e-mail may do so by accessing the Commission's homepage located at [www.puc.state.id.us](http://www.puc.state.id.us) under the "Comments and Questions" icon. Once at the "Comments or Questions" icon, fill in the case number as it appears on the front of this document, and enter your comments. These comments should also be sent to the Company at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that the Company's Application in Case No. AVU-E-02-6 may be viewed at [www.puc.state.id.us](http://www.puc.state.id.us) by clicking on "File Room" and "Electric Cases," or can be viewed during regular business hours at the Idaho Public Utilities Commission, 472 West Washington Street, Boise, Idaho and at the Idaho offices of Avista Utilities.

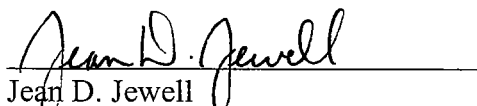
DATED at Boise, Idaho this 6<sup>th</sup> day of September 2002.

  
PAUL KJELLANDER, PRESIDENT

  
MARSHA H. SMITH, COMMISSIONER

  
DENNIS S. HANSEN, COMMISSIONER

ATTEST:

  
Jean D. Jewell  
Commission Secretary

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