

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF AVISTA CORPORATION FOR AN) **CASE NO. AVU-E-05-6**
ORDER APPROVING RECOVERY OF)
DEFERRED POWER COSTS) **NOTICE OF APPLICATION**
)
) **NOTICE OF**
) **MODIFIED PROCEDURE**
)
) **ORDER NO. 29861**

YOU ARE HEREBY NOTIFIED that on August 11, 2005, Avista Corporation filed an Application for a Commission Order approving recovery of power costs deferred through June 30, 2005. Avista explains in its Application that, pursuant to Commission Order No. 29605 entered in Case No. AVU-E-04-3, its Application serves as the PCA Status Report for 12 months ended June 30, 2005. The deferral balance was \$26.1 million at June 30, 2004, but the deferral balance was reduced to \$5.9 million as of June 30, 2005. The existing PCA surcharge produces annual revenues of approximately \$4,268,000. The Company requested the Commission process its Application by Modified Procedure.

YOU ARE FURTHER NOTIFIED that the PCA surcharge for Avista currently is 2.448%, and was approved by the Commission in Order No. 29752, effective April 15, 2005. The Company proposes that the existing surcharge remain in place and that the surcharge rates be reviewed again when the PCA Status Report is filed next year covering the July 2005 through June 2006 period. Avista also suggests in its Application that its annual PCA Status Report be filed on or before August 15 each year, rather than by a variable schedule as occurred in recent years.

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter and will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission's Rules of Procedure, IDAPA 31.01.01.201 through .204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

NOTICE OF APPLICATION
NOTICE OF MODIFIED PROCEDURE
ORDER NO. 29861

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on this Application may file a written comment in support or opposition with the Commission within twenty-one (21) days from the service date of this Notice. The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this Application shall be mailed to the Commission and the Applicant at the addresses reflected below:

Commission Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

Street Address for Express Mail:

472 W. Washington Street
Boise, ID 83702-5983

Kelly O. Norwood, Vice President
State and Federal Regulation
Avista Corporation
1411 E. Mission Avenue
Spokane, WA 99220

E-Mail: kelly.norwood@avistacorp.com

David J. Meyer
Vice President and Chief Counsel of
Regulatory and Governmental Affairs
Avista Corporation
1411 E. Mission Avenue
Spokane, WA 99220
E-Mail: dmeyer@avistacorp.com

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

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

YOU ARE FURTHER NOTIFIED that the Application together with supporting workpapers, testimonies and exhibits, have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application and

testimonies (excluding exhibits) are also available on the Commission's Website at www.puc.idaho.gov under the "File Room" icon and then "Electric Cases."

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and specifically *Idaho Code* § 61-503. The Commission may enter any final Order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

ORDER

IT IS HEREBY ORDERED that Avista Corporation's request for an Order approving recovery of deferred power costs be processed by Modified Procedure, IDAPA 31.01.01.201-.204. Persons interested in submitting written comments in this matter must do so no later than 21 days from the service date of this Order.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 31st day of August 2005.



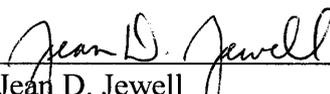
PAUL KJELLANDER, PRESIDENT



MARSHA H. SMITH, COMMISSIONER

Out of the Office on this Date
DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

bls/O:AVU-E-05-06_ws

NOTICE OF APPLICATION
NOTICE OF MODIFIED PROCEDURE
ORDER NO. 29861