

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

THOMPSON RIVER CO-GEN, LLC, a)	
Colorado Company,)	CASE NO. AVU-E-05-07
)	
COMPLAINANT,)	NOTICE OF CONTRACT FILING
)	
vs.)	NOTICE OF
)	MODIFIED PROCEDURE
AVISTA CORPORATION dba AVISTA)	
UTILITIES, a Washington Corporation,)	NOTICE OF
)	COMMENT/PROTEST DEADLINE
RESPONDENT.)	

On August 30, 2005, Thompson River Co-Gen, LLC (Thompson River; TRC) filed a Complaint against Avista Corporation dba Avista Utilities (Avista; Company) with the Idaho Public Utilities Commission (Commission). TRC is a cogeneration facility located in Thompson Falls, Montana. TRC represents itself to be a self-certified qualifying facility (QF) as defined by the Public Utility Regulatory Policies Act of 1978 (PURPA). TRC requested an Order requiring Avista to immediately complete the purchase of TRC's energy at the published non-levelized rate for fueled projects that under normal and average design conditions generate no more than 10 aMW in any given month.

On March 13, 2006, the Commission was apprised by Staff that pursuant to settlement discussions Avista and Thompson River had reached an agreement in principle on the substantive terms of a power purchase contract. A scheduled technical hearing was vacated.

YOU ARE HEREBY NOTIFIED that on August 31, 2006, Avista and Thompson River filed a Joint Petition in Case No. AVU-E-05-7 requesting approval of a negotiated 20-year Power Purchase and Sale Agreement (Agreement) dated August 25, 2006.

TRC is a Montana corporation that operates a thermal wood waste/coal generation facility power plant located at Thompson Falls, Montana. The TRC facility is capable of generating up to approximately 13 MW of energy. Avista will be the sole purchaser of TRC's generation. The maximum annual amount of electric power that Avista is obligated to purchase under the Agreement is 105,000 MWh.

NOTICE OF CONTRACT FILING
NOTICE OF MODIFIED PROCEDURE
NOTICE OF COMMENT/PROTEST DEADLINE 1

For all Net Delivered Output received by Avista that is not Surplus Energy, Avista shall pay \$58.50 per MW hour. For all Surplus Energy, Avista shall pay the current month's market energy cost per MW hour or the net delivery output purchase price, whichever is lower. The power purchase rates are negotiated as a reasonable compromise to resolve their dispute and do not represent a levelized rate calculated from published avoided cost rates.

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filings of record in Case No. AVU-E-05-07 and the submitted August 25, 2006 20-year Power Purchase and Sale Agreement. The Commission has preliminarily found that the public interest in this matter may not require a hearing to consider the issues presented and that issues raised in the Joint Petition for approval of the Agreement 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.

YOU ARE FURTHER NOTIFIED that the **deadline for filing written comments or protests** with respect to the submitted August 25, 2006 Power Purchase and Sale Agreement between Avista and TRC and the use of Modified Procedure in Case No. AVU-E-05-07 is **Friday, October 6, 2006**.

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 based on the written positions before it. Reference IDAPA 31.01.01.204.

YOU ARE FURTHER NOTIFIED that written comments concerning Case No. AVU-E-05-07 should be mailed to the Commission, Avista and TRC 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

For Avista Corporation:

David J. Meyer
Vice President, Chief Counsel for Regulatory
and Governmental Affairs
Avista Corporation
PO Box 3727
1411 E. Mission Avenue
Spokane, WA 99220-3727
E-mail: dmeyer@avistacorp.com

For Thompson River Co-Gen:

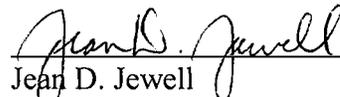
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All comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at www.puc.idaho.gov. Click the "Comments 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 Avista and TRC at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that the Application in Case No. AVU-E-05-07 may be viewed at www.puc.idaho.gov by clicking on "File Room" and "Electric Cases," or can be viewed during regular business hours at the Idaho Public Utilities Commission, 472 W. Washington Street, Boise, Idaho and at the Idaho offices of Avista Utilities.

DATED at Boise, Idaho this 7th day of September 2006.



Jean D. Jewell
Commission Secretary

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