

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION )**  
**OF AVISTA CORPORATION FOR A ) CASE NO. AVU-E-06-09**  
**MODIFICATION TO THE RESIDENTIAL )**  
**AND SMALL FARM ENERGY RATE ) NOTICE OF APPLICATION**  
**ADJUSTMENT CREDIT )**  
**)**  
**) NOTICE OF**  
**) MODIFIED PROCEDURE**  
**)**  
**) NOTICE OF**  
**) COMMENT/PROTEST DEADLINE**

---

YOU ARE HEREBY NOTIFIED that on September 14, 2006, Avista Corporation dba Avista Utilities (Avista; Company) filed an Application with the Idaho Public Utilities Commission (Commission) requesting approval of a proposed modification to the residential and farm energy rate adjustment credit. Tariff Schedule 59. Avista proposes that the credit be increased from the existing 0.412¢ per kilowatt hour (kWh) to 0.459¢ per kWh effective November 1, 2006. As reflected in the Application, the purpose of the energy rate adjustment credit is to pass through to qualifying electric residential and small farm customers the estimated benefits to be derived under the Residential Exchange Settlement Agreement (Agreement) between Avista and Bonneville Power Administration (BPA). The increase in the rate credit is due to increased benefits Avista will receive during the second five-year period (2006-2011) of the 10-year agreement with BPA (2001-2011). Under the Agreement, the base calculator for Avista's customer benefits was set at 98 MW for the first five-year period and 149 MW for the second five-year period, which results in higher benefits during the second five-year period. The proposed rate credit is a uniform cents per kWh decrease of 0.459¢ and would apply to residential and small farm customers served under Schedules 1, 12, 22, 32, and 48. For residential and small farm area lighting customers served under Schedule 48, the proposed credit is applied on a uniform cents per kWh basis to the energy usages of the various lights covered under that rate schedule.

NOTICE OF APPLICATION  
NOTICE OF MODIFIED PROCEDURE  
NOTICE OF COMMENT/PROTEST DEADLINE 1

The proposed increase in the rate credit would result in an overall reduction in annual revenue of approximately \$552,000. For residential customers using 1,000 kilowatt hours per month the new credit would be \$4.59 per month or \$0.47 more than the existing credit of \$4.12 per month. With the new higher credit in place, residential customers' bills will be about 0.75% lower than they were before the increase in rate credit. The proposed credit passes through the expected level of benefits to be received from BPA during the period November 1, 2006 through October 31, 2007, adjusted for the projected, over-refunded balance at October 31, 2006.

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filings of record in Case No. AVU-E-06-09. 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 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.

YOU ARE FURTHER NOTIFIED that the **deadline for filing written comments or protests** with respect to Avista's Application and the use of Modified Procedure in Case No. AVU-E-06-09 is **Monday, October 23, 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-06-09 should be mailed to the Commission and the Company 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

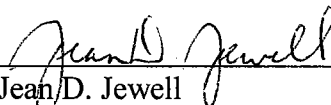
E-mail: [kelly.norwood@avistacorp.com](mailto:kelly.norwood@avistacorp.com)

David J. Meyer  
Vice President and Chief Counsel  
Regulatory and Governmental Affairs  
Avista Corporation  
1411 E. Mission Avenue  
Spokane, WA 99220  
E-mail: [dmeyer@avistacorp.com](mailto:dmeyer@avistacorp.com)

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](http://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 at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that the Application in Case No. AVU-E-06-09 may be viewed at [www.puc.idaho.gov](http://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.

DATED at Boise, Idaho this 28<sup>th</sup> day of September 2006.

  
\_\_\_\_\_  
Jean D. Jewell  
Commission Secretary

bls/N:AVU-E-06-09\_sw