

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE FILING BY)
AVISTA CORPORATION DBA AVISTA) **CASE NO. AVU-E-07-08**
UTILITIES OF ITS 2007 INTEGRATED)
RESOURCE PLAN (IRP)) **NOTICE OF FILING**
)
) **NOTICE OF MODIFIED**
) **PROCEDURE**
)
) **ORDER NO. 30464**

On August 30, 2007, Avista Corporation dba Avista Utilities filed its 2007 Integrated Resource Plan ("IRP" or "Plan") with the Commission pursuant to the biennial filing requirement mandated in Order No. 22299, as modified in Order No. 30262. The IRP describes the Company's growing customer base, load growth, supply-side resources, demand-side management and risk analyses. Additionally, the IRP document and related appendices contain information regarding available resource options, planning period forecasts, potential resource portfolios, a ten-year resource plan, and a near-term action plan.

Avista serves approximately 115,000 retail electric and gas customers in northern Idaho. Avista filed its last IRP with the Commission on September 1, 2005. In this Notice the Commission establishes a deadline for written comment regarding Avista's current IRP filing.

NOTICE OF IRP FILING

YOU ARE HEREBY NOTIFIED that Avista's 2007 IRP was prepared with assistance from its Technical Advisory Committee ("TAC"). Members of the TAC included customers, Commission Staff, consumer advocates, academics, utility peers, government agencies and other interested parties. The Company sponsored six full days of TAC meetings, supplemented by phone and e-mail contact, in preparation of their development of this Plan. During this process, each TAC member was provided with a draft of the Company's Preferred Resource Strategy ("PRS") and asked to render an assessment of the modeling assumptions, processes and results. The PRS consists of renewable resources, conservation, efficiency upgrades at existing facilities and new gas-fired generation.

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YOU ARE FURTHER NOTIFIED that Avista initiated a Western Interconnect-wide study in order to evaluate the impact of regional markets on the Company. Avista then submitted the data compiled from the various regional markets to a “monte-carlo style analysis” (a random sampling method used to evaluate data) and the results were used to estimate the Mid-Columbia electricity market.

YOU ARE FURTHER NOTIFIED that Avista estimates that it will experience system-wide annual energy deficits beginning in 2011, with loads exceeding resource capabilities by 83 annual megawatts (“aMW”) and rising to 272 aMW in 2017 and to 513 aMW in 2027. Avista attributes the energy resource deficits to an estimated 2.3% energy and capacity load growth through 2017 and the expiration of certain long-term supply contracts.

YOU ARE FURTHER NOTIFIED that Avista’s PRS intends to meet the increased energy resource demand by adding the following resources: (1) 350 MW of combined cycle combustion turbine (“CCCT”) gas resources, primarily from the power purchase contract for the Lancaster Generating Plant beginning in 2010; (2) 300 MW of wind resources; (3) 35 MW of other renewable resources; and (4) 87 MW of conservation measures between 2007 and 2017. The Company states that the acquisition of additional wind resources and other renewable resources was hampered by the dramatic increase in the cost of wind resources since its 2005 IRP filing, as well as the increased demand for renewable resources resulting from recent legislation in Washington and Oregon requiring the use of renewable resources.

YOU ARE FURTHER NOTIFIED that the acquisition of conservation measures is forecast to rise approximately 25% over the Company’s 2005 IRP and by more than 85% from its 2003 IRP.

YOU ARE FURTHER NOTIFIED that Avista has elected to forego future coal-fired generation for several reasons including recent legislation effectively barring its use in the state of Washington; predicted federal carbon limiting legislation; and higher costs associated with coal-fired generation. As a result, the Company’s PRS substitutes fixed price natural gas resources for coal-based resources.

YOU ARE FURTHER NOTIFIED that Avista included carbon emissions in its “Base Case” cost estimates for the first time in its 2007 IRP. The Company claims that it has one of the “smallest carbon footprints” of the nation’s “top 100 producers of energy resources.”

YOU ARE FURTHER NOTIFIED that Avista's IRP contains the Company's 2007 Action Plan as well as its assessment regarding its progress toward implementing its 2005 IRP Action Plan. The 2007 Action Plan contains activities and studies to be developed and studied in the Company's 2009 IRP. It includes specific items in four areas: Renewable energy and emissions, modeling enhancements, transmission modeling and research and conservation.

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the Company's filing in Case No. AVU-E-07-08 and finds 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.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position concerning Avista's 2007 IRP may file a written comment in support or opposition with the Commission **no later than January 17, 2008**. 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 filing should be mailed to the Commission and Avista at the addresses reflected below:

Commission Secretary	Clint Kalich, Manager
Idaho Public Utilities Commission	Resource Planning & Analysis
PO Box 83720	Avista Corporation
Boise, ID 83720-0074	1411 E. Mission
	PO Box 3727
Street Address for Express Mail:	Spokane, WA 99220-3727
472 W. Washington Street	E-mail: clintkalich@avistacorp.com
Boise, ID 83702-5983	

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 Avista at the e-mail address listed above.

YOU ARE FURTHER NOTIFIED that Avista's IRP filing can be viewed at www.puc.idaho.gov by clicking on "File Room" and "Electric Cases," or it can be viewed during

regular business hours at the Idaho Public Utilities Commission, 472 West Washington Street, Boise, Idaho and Avista's Headquarters, 1411 East Mission, Spokane, Washington.

YOU ARE FURTHER NOTIFIED that the Idaho Public Utilities Commission has jurisdiction over Avista, its filing and the issues pertaining to this case pursuant to Title 61 of the Idaho Code and specifically *Idaho Code* § 61-401.

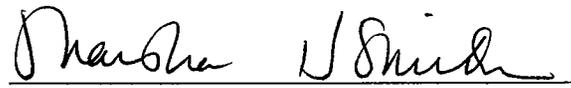
YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

ORDER

IT IS HEREBY ORDERED that a review and comment period be established for Avista's IRP filing. Any person interested in submitting written comments in this matter must do so no later than January 17, 2008.

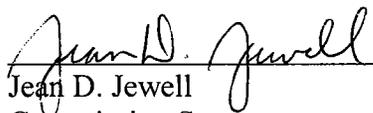
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 21st day of November 2007.


MACK A. REDFORD, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


JIM KEMPTON, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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