

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF AVISTA)	
CORPORATION DBA AVISTA UTILITIES')	CASE NO. AVU-E-09-09
FILING OF ITS 2009 INTEGRATED)	
RESOURCE PLAN)	NOTICE OF FILING
)	
)	NOTICE OF
)	MODIFIED PROCEDURE
)	
)	ORDER NO. 30928

INTRODUCTION

On August 31, 2009, Avista Corporation dba Avista Utilities ("Avista") filed its 2009 Electric Integrated Resource Plan ("IRP") with the Commission pursuant to the Commission's biennial IRP filing requirements outlined in Order No. 22299, and later modified in Order Nos. 24729 and 30262.

The 2009 IRP contains sections describing Avista's current and forecasted loads and resources, energy efficiency programs, environmental policy, transmission and distribution systems, generation resource options, market analysis, preferred resource strategies and a summary of actions taken by the Company in accordance with its 2007 IRP Action Plan.

Avista serves approximately 115,000 retail electric and gas customers in northern Idaho. Avista filed its last IRP with the Commission on August 30, 2007. In this Notice, the Commission establishes a deadline for written comment regarding Avista's 2009 IRP filing.

NOTICE OF IRP FILING

YOU ARE HEREBY NOTIFIED that Avista's 2009 IRP was prepared with assistance from its Technical Advisory Committee ("TAC"). Members of the TAC include customers, Commission Staff, consumer advocates, academics, utility peers, government agencies and other interested parties. During the IRP development process, each TAC member was asked to render input and their individual assessment of the modeling assumptions, processes and general direction of the planning process. The Preferred Resource Strategy ("PRS") adopted by the Company consists of a mix of renewable resources, conservation, efficiency upgrades at existing facilities and new gas-fired generation.

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YOU ARE FURTHER NOTIFIED that Avista states that the development of its PRS began with the “identification and quantification of potential new resources” to serve future resource demands. Avista performed a Western Interconnect-wide study to understand the impact of regional markets. The Company subjected data developed from over 250 iterations of potential future conditions to a “Monte-Carlo style analysis” and the results were used to estimate the Mid-Columbia electricity market. Ultimately, the selection of the PRS was based on forecasted energy and capacity needs, resource values, state mandated portfolio standards, and limiting power supply expense variability.

YOU ARE FURTHER NOTIFIED that Avista believes that conservation and plant upgrades will not be enough to compensate for the anticipated 1.7 percent energy and capacity load growth and the expiration of long-term contracts. The Company estimates that it will experience annual energy deficits beginning in 2018, increasing to 126 aMW in 2022 and 527 aMW in 2029. Capacity deficits are forecasted to be 139 MW in 2022 and 667 MW in 2029.

YOU ARE FURTHER NOTIFIED that Avista’s IRP notes the strong correlation between natural gas prices and electricity prices because gas-fired generation is currently the marginal resource relied upon within the Western Interconnect. The Company forecasts that the Mid-Columbia market price is expected to average \$79.56 per MWh in 2009 dollars through 2029.

YOU ARE FURTHER NOTIFIED that Avista included carbon emissions in its “Base Case” cost estimates. The Company projects a precipitous rise in carbon dioxide emissions prices over the next twenty years.

YOU ARE FURTHER NOTIFIED that Avista’s 2009 PRS aims for an additional 250 of Nameplate (MW) Capacity of Combined Cycle Combustion Turbine (CCCT) by 2019, 2024 and 2027; 150 MW of NW Wind by 2012 and 2019, and 50 MW by 2022; 5 MW of Distribution Efficiencies by 2010-2015; 5 MW in Upgrades to its Little Falls and Upper Falls hydro facilities by 2020; and 339 MW of conservation throughout the planning period.

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the Company’s filing in Case No. AVU-E-09-09 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

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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 2009 IRP may file a written comment in support or opposition with the Commission. 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 Avista's IRP shall be filed with the Commission **no later than December 8, 2009**. Written comments concerning this filing should be mailed to the Commission and Avista at the addresses reflected below:

Commission Secretary	Linda Gervais, Manager Regulatory Policy
Idaho Public Utilities Commission	State and Federal Regulation
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	
Boise, ID 83702-5918	

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.

YOU ARE FURTHER NOTIFIED that Avista's 2009 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.

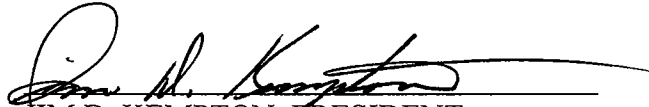
YOU ARE FURTHER NOTIFIED that the Idaho Public Utilities Commission has jurisdiction over Avista, its filing and the issues pertaining to this case pursuant to Title 61 of the Idaho Code and specifically *Idaho Code* § 61-401.

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 persons interested in submitting written comments regarding Avista's 2009 IRP should do so no later than December 8, 2009.

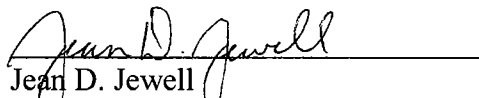
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 8th day of October 2009.


JIM D. KEMPTON, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


MACK A. REDFORD, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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