

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	CASE NO. AVU-E-10-04
OF AVISTA CORPORATION DBA AVISTA)	
UTILITIES FOR MODIFICATION OF ITS)	NOTICE OF APPLICATION
RESIDENTIAL AND FARM ENERGY RATE)	
ADJUSTMENT.)	NOTICE OF
)	MODIFIED PROCEDURE
)	
)	ORDER NO. 32082

On September 15, 2010, Avista Corporation dba Avista Utilities filed an Application with the Commission seeking authority to revise its Schedule 59, Residential and Farm Energy Rate Adjustment. More specifically, the Company proposes an adjustment of a rate credit from the currently approved 0.289¢ per kWh to 0.147¢ per kWh, or a decrease to the credit of 1.65%. The Company requests that the Application be processed by Modified Procedure and rates become effective November 1, 2010.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that Avista's Application states that the current 0.289¢ per kWh rate credit, to pass through residential exchange program benefits, was approved effective August 1, 2009. That rate credit resulted from a settlement agreement with the Bonneville Power Administration (BPA) and was based on two years of assumed payments from BPA for their 2009 and 2010 fiscal years, as well as an amount from settlement of an outstanding Deemer Account.

YOU ARE FURTHER NOTIFIED that Avista maintains that the current rate credit was designed to pass through the total of the 2009 and 2010 benefits over a period of 15 months, August 1, 2009 through October 31, 2010. The proposed rate credit of 0.147¢ per kWh would replace the current credit of 0.289¢ per kWh and is designed to pass through the amount of expected benefits from BPA for their 2011 fiscal year over a refund period of 12 months, November 1, 2010 through October 31, 2011.

NOTICE OF APPLICATION
NOTICE OF MODIFIED PROCEDURE
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YOU ARE FURTHER NOTIFIED that the proposed rate credit of 0.147¢ per kWh would apply to residential and small farm customers served under Schedules 1, 12, 22, 32, and 48. For a customer using 1,000 kWh per month, the proposed, lower rate credit would result in a monthly increase of \$1.42 per month, or 1.65%.

YOU ARE FURTHER NOTIFIED that the Application states that the proposed rate credit will have no effect on Avista's net income. The proposed rate credit would, however, result in an increase of approximately \$1.7 million to Idaho electric revenue, since a lesser amount of benefits will be passed through to customers.

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal evidentiary hearing in this matter and will proceed under Modified Procedure pursuant to the Commission's Rules of Procedure 201 through 204, 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 in cases of this nature.

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 **no later than October 21, 2010**. 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 parties 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 83702-5918

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: david.meyer@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 form, using the case number as it appears on the front of this document. E-mail comments should also be sent to Avista at the 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, supporting workpapers 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 other workpapers are also available on the Commission's web site at www.puc.idaho.gov by clicking on "File Room" and then "Electric Cases."

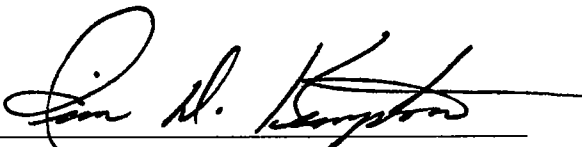
YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and specifically *Idaho Code* §§ 61-118, 61-119, 61-502, and 61-503. The Commission may enter any final Order consistent with its authority under Title 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.*

O R D E R

IT IS HEREBY ORDERED that this case be processed under Modified Procedure. Interested persons wishing to file comments must do so no later than October 21, 2010.


DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 5th
day of October 2010.


JIM D. KEMPTON, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


MACK A. REDFORD, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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