

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE JOINT)
APPLICATION OF AVISTA) **CASE NO. AVU-E-11-06**
CORPORATION AND STIMSON LUMBER)
COMPANY FOR APPROVAL OF A) **NOTICE OF APPLICATION**
POWER PURCHASE AGREEMENT.)
) **NOTICE OF**
) **MODIFIED PROCEDURE**
)
) **ORDER NO. 32412**

On November 25, 2011, Avista Corporation and Stimson Lumber Company (the Parties) filed a Joint Application with the Commission requesting approval of a five-year Power Purchase Agreement (Agreement) between Avista and Stimson Lumber dated November 16, 2011. The Application states that Stimson Lumber operates a thermal wood waste small power electric generation plant located at Plummer, Idaho. Stimson Lumber is a qualifying facility (QF) under the applicable provisions of the Public Utility Regulatory Policies Act of 1978 (PURPA) and is capable of generating up to 6.5 megawatts (maximum capacity, nameplate) of energy. The Parties ask that the Commission approve the Agreement with an effective date of December 1, 2011.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that the Application states that, upon its effective date, the Agreement will replace the power purchase agreement (Original Agreement) between the Parties originally approved by the Commission in Order No. 30224, issued on January 19, 2007. The Original Agreement expired on September 30, 2011.

YOU ARE FURTHER NOTIFIED that the Commission approved an Amendment to the Original Agreement, extending the term “until either the effective date of a new power purchase agreement executed between the Parties or January 2, 2012, whichever is earlier” in order to allow the Parties additional time to complete their negotiations and execute a new agreement. Order No. 32382 at 2. The Amendment utilizes the published avoided cost rates applicable to PURPA contracts entered into on or after August 30, 2011.

YOU ARE FURTHER NOTIFIED that the Application states that the Parties have now completed their negotiations and have executed an Agreement. The Parties request that the Commission approve the Agreement without change or condition, with an effective date of December 1, 2011, and declare that all payments made by Avista for purchases of energy under the Agreement be allowed as prudently incurred expenses for ratemaking purposes.

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has determined 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 on this Application may file a written comment in support or opposition with the Commission **no later than December 30, 2011**. 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 Avista 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

Michael G. Andrea
Senior Counsel
Avista Corporation
1411 E. Mission Ave., MSC-23
Spokane, WA 99202
E-mail: michael.andrea@avistacorp.com

Steve Silkworth
Manager, Wholesale Marketing & Contracts
Avista Corporation
1411 E. Mission Ave., MSC-7
Spokane, WA 99202
E-mail: steve.silkworth@avistacorp.com

Jeff Webber, Vice President – Manufacturing
Stimson Lumber
520 S.W. Yamhill, Suite 700
Portland, OR 97204
E-mail: jwebber@stimsonlumber.com

President and Chief Executive Officer
Stimson Lumber
520 S.W. Yamhill, Suite 700
Portland, OR 97204

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 and Stimson Lumber at the e-mail 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 and Agreement have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application and Agreement 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 case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and the Public Utility Regulatory Policies Act of 1978 (PURPA). The Commission has authority under PURPA and the implementing regulations of the Federal Energy Regulatory Commission (FERC) to set avoided costs, to order electric utilities to enter into fixed-term obligations for the purchase of energy from qualified facilities and to implement FERC rules.

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 this case be processed under Modified Procedure. Interested persons and the parties may file written comments no later than December 30, 2011.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 15th
day of December 2011.



PAUL KJELLANDER, PRESIDENT

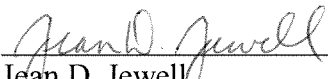


MACK A. REDFORD, COMMISSIONER



MARSHA H. SMITH, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

O:AVU-E-11-06_ks