

Avista Corp.
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IDAHO PUBLIC
UTILITIES COMMISSION

September 21, 2012

State of Idaho
Idaho Public Utilities Commission
472 W. Washington Street
Boise, Idaho 83702-5983

Case No. AVU-E-12-06 (2012 Avista Annual Power Cost Adjustment - Comments)

Attention: Ms. Jean D. Jewell

On September 21, 2012, Commission Staff issued their "Staff Comments" related to Avista's 2012 Annual Power Cost Adjustment (PCA) filing. In its comments, Staff recommended that the Commission approve a modification to the Company's filing such that the current PCA surcharge rate of \$0.00072 be decreased to \$0.00000 instead of to a credit rate of \$0.00090 as originally proposed.

If this modification is approved by the Commission, approximately \$3.19 million would be held back due to the Company's filing of a "Notice of Intent to File a General Rate Case". In short, the Company is supportive of Staff's position on this issue. Like Staff, Avista feels that the un-refunded credit balance could be used to provide for rate stability for customers in the long-run.

If you have any questions regarding this information, please contact me at (509) 495-8620.

Sincerely,

A handwritten signature in black ink that reads "Patrick Ehrbar". The signature is written in a cursive style with a long horizontal stroke at the end.

Patrick Ehrbar
Manager, Rates & Tariffs

Enclosures

CERTIFICATE OF SERVICE

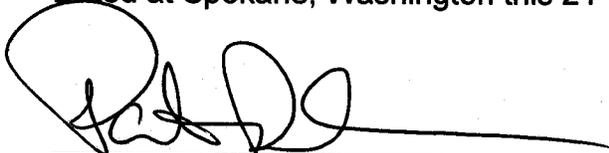
I HEREBY CERTIFY that I have served Avista Corporation's Comments related to its Power Cost Adjustment (PCA) Annual Rate Adjustment Filing (Case No. AVU-E-12-06) by mailing a copy thereof, postage prepaid, to the following:

Ms Jean D Jewell, Secretary
Idaho Public Utilities Commission
472 W. Washington St.
Boise, ID 83702-5983

Dean J. Miller
McDevitt & Miller LLP
P.O.Box 2564
Boise, ID 83701
Email: joe@mcdevitt-miller.com

Larry A Crowley
The Energy Strategies Institute Inc
5549 S. Cliffsedge Ave
Boise, ID 83716
Email: crowlyla@aol.com

Dated at Spokane, Washington this 21st day of September 2012.

A handwritten signature in black ink, appearing to read 'Patrick Ehrbar', written over a horizontal line.

Patrick Ehrbar
Manager, Rates & Tariffs