

Avista Corp.
1411 East Mission P.O. Box 3727
Spokane, Washington 99220-0500
Telephone 509-489-0500
Toll Free 800-727-9170



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IDAHO PUBLIC
UTILITIES COMMISSION

FILED VIA OVERNIGHT MAIL

July 30, 2013

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

Attention: Ms. Jean Jewell, Secretary

Case No. AVU-E-13-04
Power Cost Adjustment (PCA) Annual Filing of Avista Corporation

Enclosed for filing with the Commission is Avista's Power Cost Adjustment (PCA) annual filing. The filing consists of an original and seven copies of Avista's Application and nine copies of prefiled testimony and exhibits. Also enclosed are three copies of supporting workpapers and documentation. A certificate of service, three copies of a customer notice, and three copies of a press release are also enclosed. A computer readable copy of the testimonies, exhibits, and workpapers, required under Rule 231.05, are included on an enclosed compact disk.

The Company is requesting that the Commission issue an order approving recovery of power costs deferred for the period July 1, 2012 through June 30, 2013, and approving a PCA rebate of 0.152¢ per kilowatt-hour to be effective October 1, 2013. Under the Company's proposal, the PCA rate for all customers, including residential customers, would increase from a rebate of 0.090¢ per kilowatt-hour to a rebate of 0.152¢ per kilowatt-hour, or an increase in the rebate rate of 0.062¢ per kilowatt-hour. Since PCA rate adjustments are spread on a uniform cents per kilowatt-hour basis, the resulting percentage decreases vary by rate schedule. The overall decrease is 0.83%.

For an average residential customer using 930 kilowatt-hours per month, the monthly decrease will be \$0.58. Under present rates, a residential bill for 930 kilowatt-hours amounts to \$78.69. With the proposed rebate in place the monthly bill would be \$78.11, or 0.74% lower than the bill under present rates¹.

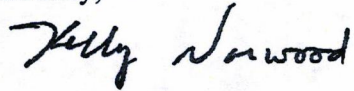
Please note that Avista has deemed certain supporting documents to be classified as CONFIDENTIAL, rendering these documents exempt from public inspection, examination and copying pursuant to Sections 9-340A through 9-340F of the Idaho Code. Avista believes that the identified CONFIDENTIAL supporting documents contain valuable commercial information.

¹ On July 30, 2013, Avista filed with the Commission changes to its Demand Side Management Tariff Rider (Schedule 91) and Residential Exchange Program (Schedule 59). The requested effective date for these filings is October 1, the same requested effective date in this PCA filing. October 1, 2013 is also the effective date for the rate changes approved in the Company's last general rate case (AVU-E-12-08/AVU-G-12-07).

As such, Avista is submitting a separate electronic CD containing the electronic form of the CONFIDENTIAL supporting documents, in compliance with Rule 067.02.b.

Please direct any questions regarding this filing to Patrick Ehrbar at (509) 495-8620.

Sincerely,

A handwritten signature in black ink that reads "Kelly Norwood". The signature is written in a cursive style with a large initial "K".

Kelly Norwood
Vice President, State and Federal Regulation

Enclosures