

Avista Corp.

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IDAHO PUBLIC
UTILITIES COMMISSION

May 27, 2009

Idaho Public Utilities Commission
Attn: Scott Woodbury
PO Box 83720
Boise, ID 83720-0074

RE: Case No. GNR-E-09-02

Dear Mr. Woodbury:

Avista is responding to the notice dated May 13, 2009 regarding the annual revision and updated calculation of the adjustable portion of the avoided cost rates. The Company has reviewed and is in agreement with the Colstrip adjustable rate of 14.09 mill/kWh and the annual average gas price of \$9.00/MMBtu for the 2009-2010 year.

Thank you,

A handwritten signature in black ink, appearing to read "Clint Kalich".

Clint Kalich
Manager of Resource Planning and Power Supply Analyses

cc: Rick Sterling, IPUC
Michael Andrea, Avista
Linda Gervais, Avista