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**AVISTA**

Corp.

IDAHO PUBLIC  
UTILITIES COMMISSION

2010 MAR 15 AM 8:06

RECEIVED

March 10, 2010

**VIA EMAIL AND REGULAR MAIL**

Idaho Public Utilities Commission  
Attn: Scott Woodbury, Deputy Attorney General  
PO Box 83720  
Boise, ID 83720-0074  
Email: scott.woodbury@puc.idaho.gov

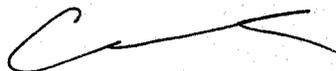
**Re: IN THE MATTER OF THE ADJUSTMENT OF AVOIDED COST RATES FOR  
NEW PURPA CONTRACTS FOR AVISTA CORPORATION DBA AVISTA  
UTILITIES, IDAHO POWER COMPANY, AND PACIFICORP DBA ROCKY  
MOUNTAIN POWER  
IPUC Case No. GNR-E-10-01**

Dear Mr. Woodbury:

In a letter dated March 9, 2010, you provided notice that the Idaho Public Utilities Commission ("Commission") Staff has recomputed avoided cost rates using the Northwest Power and Conservation Council's ("Council") most recent gas price forecast. You also included with your March 9 Letter, the results from the recalculated avoided cost rates using the new Council natural gas price forecast. You requested that Avista review the recalculated avoided cost rates and file a response with the Commission by March 12, 2010.

Avista has reviewed the recalculated avoided cost rates that were computed using the Council's most recent natural gas price forecast and were attached to the March 9 Letter. Avista agrees that the recalculated avoided cost rates accurately reflect the Council's most recent natural gas price forecast.

Sincerely,



Clint Kalich  
Manager of Resource Planning and  
Power Supply Analysis

cc: Bob Lafferty  
Steve Silkworth  
Michael Andrea