

**Avista Corp.**

1411 East Mission PO Box 3727  
Spokane, Washington 99220-3727  
Telephone 509-489-0500  
Toll Free 800-727-9170

RECEIVED

2010 JUN 11 AM 8:06

IDAHO PUBLIC  
UTILITIES COMMISSION



June 9, 2010

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

RE: Case No. GNR-E-10-02

Dear Mr. Woodbury:

Avista is responding to the notice dated June 3, 2010 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 12.78 mill/kWh and the annual average gas price of \$4.62/MMBtu for the 2010-2011 year.

Thank you,

A handwritten signature in black ink, appearing to read "Clint Kalich", written in a cursive style.

Clint Kalich  
Manager of Resource Planning and Power Supply Analyses

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