

RECEIVED

2011 AUG 18 AM 11:37



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

IDAHO PUBLIC
UTILITIES COMMISSION

August 18, 2011

Jean Jewell, Commission Secretary
State of Idaho
Idaho Public Utilities Commission
Statehouse
Boise, ID 83720

Re: CASE NO. GNR-E-11-04 - 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.

Dear Ms. Jewell:

Avista is responding to the notice dated August 16, 2011 regarding the annual revision and updated calculation of the adjustable portion of the avoided cost rates. The Company has reviewed and agrees with the recomputed avoided cost rates using the Council's most recent gas price forecast.

Please direct any questions on this matter to Clint Kalich at (509) 495-4532 or myself at (509) 495-4975.

Sincerely,

Linda Gervais
Manager, Regulatory Policy
Avista Utilities
linda.gervais@avistacorp.com
509-495-4975

cc : Kristine Sasser
Rick Sterling