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UNITED STATES COURTS

R. Blair Strong

July 16, 2007

Ms. Jean Jewell, Commission Secretary  
472 West Washington  
Boise, ID 83702

RE: IPC-E-07-03  
Petition of Avista Corporation to Intervene

Dear Ms. Jewell:

Please find enclosed for filing the original and seven (7) copies of a Petition of Avista Corporation to Intervene in the above-referenced proceedings. Please conform and return the additional copy in the enclosed self-addressed stamped envelope.

Thank you for your assistance.

Very truly yours,

PAINE HAMBLEN LLP



Terry L. York  
Paralegal to R. Blair Strong

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Enclosures

cc: Service List

Michael G. Andrea  
Staff Attorney  
Avista Corporation  
1411 East Mission, MSC-23  
Spokane, WA 99202  
Phone: (509) 495-2564  
Facsimile: (509) 495-5690

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IDAHO PUBLIC UTILITIES COMMISSION

R. Blair Strong (Admitted Pro Hac Vice in IPC-E-05-22)  
Jerry K. Boyd (Idaho Bar # 1341)  
Paine Hamblen LLP  
717 West Sprague, Suite 1200  
Spokane, WA 99220-3505  
Telephone: (509) 455-6000  
Facsimile: (509) 838-0007

Attorneys for Avista Corporation

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF IDAHO POWER )  
COMPANY'S PETITION TO INCREASE )  
THE PUBLISHED RATE ELIGIBILITY CAP ) **NO. IPC-E-07-03**  
FOR WIND POWERED SMALL POWER )  
PRODUCTION FACILITIES; AND TO ) PETITION OF AVISTA  
ELIMINATE THE 90%/110% ) CORPORATION TO INTERVENE  
PERFORMANCE BAND FOR WIND )  
POWERED SMALL POWER PRODUCTION ) (Reference Related Case Nos. AVU-E-  
FACILITIES ) 07-02 and PAC-E-07-07)  
)

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Pursuant to the Idaho Public Utilities Commission's ("Commission") Rules of Procedure 53 and 71 through 73 and the Notice of Intervention Deadline issued by the Commission on June 28, 2007, Avista Corporation ("Avista") hereby petitions to intervene, and to appear and participate as a party, in the above-captioned matter.

1. Name and Address of Petitioner

Avista Corporation  
1411 East Mission Avenue  
Spokane, WA 99202

2. Nature of Business

Avista is a corporation created and organized under the laws of the State of Washington with its principal office in Spokane, Washington. Avista is an investor-owned utility engaged in, among other things, the business of generating, transmitting, and distributing electric power to wholesale and retail customers in Idaho and Washington. Avista also provides natural gas service to customers in Idaho, Washington, and Oregon. As such, Avista's rates, charges, services and practices are regulated, in part, by this Commission.

3. Names of Representatives

All communications, pleadings, and orders with respect to this proceeding should be directed to:

R. Blair Strong  
Jerry K Boyd  
Paine Hamblen LLP  
717 W. Sprague, Suite 1200  
Spokane, WA 99220  
Phone: (509) 455-6000  
Fax: (509) 838-0007  
E-mail: r.blair.strong@painehamblen.com

Michael G. Andrea  
Staff Attorney  
Avista Corporation  
1411 East Mission Ave., MSC-23  
Spokane, WA 99202  
Phone: 509-495-2564  
Fax: (509) 495-5690  
E-mail: michael.andrea@avistacorp.com

4. Avista's Interest in this Proceeding

Avista is the petitioner in a related proceeding, (Case No. AVU-E-07-02). In that related proceeding, Avista requested that the Commission raise the cap on entitlement to published avoided cost rates for wind-powered small generation facilities that are qualifying facilities ("QFs") under sections 201 and 210 of the Public Utility Regulatory Policies Act of 1978 from the current level of 100 kW to 10 aMWs per month, subject to certain conditions, including:

- a. Reducing the published avoided cost rates applicable to purchases by Avista of electric power from wind-powered QFs by 12%, as a percentage reduction to be

applied against scheduled avoided cost rates in those circumstances, except where the QF developer agrees in the power purchase and sale contract with Avista to deliver QF output to Avista on a firm hourly schedule, in which case the percentage reduction shall be 6%;

- b. Removing the requirement that the 90%/110% performance band requirement not be applied to purchases from wind-powered QFs;
- c. Authorizing Avista to purchase state-of-the-art wind forecasting services to provide Avista with forecasted wind conditions in those geographic areas in which wind generation resources are located, provided that QFs will reimburse Avista for their share of the on-going cost of the wind forecasting service, in proportion to their percentage share of the wind-generator capability being supplied to Avista from that area;
- d. Requiring QFs to deliver a “mechanical availability guarantee” to Avista to demonstrate monthly, except for scheduled maintenance and events of force majeure or uncontrollable force, that the QF was physically capable and available to generate a full output during 85% of the hours in a month;
- e. Clarifying the rules governing the entitlement to published rates to prevent all QFs, whether wind or non-wind, capable of delivering more than 10 aMW per month from structuring or restructuring into smaller projects solely for the purpose of qualifying for the published avoided cost rates; and
- f. Clarifying that the cap on entitlement to published avoided cost rates shall be raised to 10 aMW only until Avista’s total wind portfolio from all sources totals 400 MW.

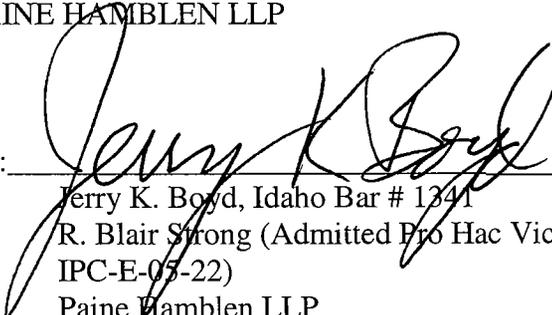
The issues in this proceeding are substantially similar to the issues raised by Avista in the related proceeding. Thus, any determination of the issues in this proceeding may have an impact on the issues in Avista's related proceeding. Avista, therefore, has a direct and substantial interest in this proceeding. No other party can adequately represent Avista's interest in this proceeding. Accordingly, good cause exists to grant Avista's motion to intervene.

For the forgoing reasons, Avista respectfully requests that the Commission grant Avista's petition and allow Avista to intervene in the above-captioned proceeding.

Respectfully submitted this 16<sup>th</sup> day of July 2007.

PAINE HAMBLEN LLP

By: \_\_\_\_\_

  
Jerry K. Boyd, Idaho Bar # 1341  
R. Blair Strong (Admitted Pro Hac Vice in  
IPC-E-05-22)  
Paine Hamblen LLP  
717 West Sprague, Suite 1200  
Spokane, WA 99220-3505  
Telephone: (509) 455-6000  
Facsimile: (509) 838-0007

Michael G. Andrea  
Staff Attorney  
Avista Corporation  
1411 East Mission, MSC-23  
Spokane, WA 99202  
Phone: (509) 495-2564  
Facsimile: (509) 495-5690

## CERTIFICATE OF SERVICE

I hereby certify that on the 16<sup>th</sup> day of July, 2007, true and correct copies of the PETITION OF AVISTA CORPORATION TO INTERVENE were delivered to the persons on the attached Service List via the method of service noted.

Dean Brockbank Esq.  
Rocky Mountain Power  
201 S Main St Ste 2300  
Salt Lake City UT 84111

Hand Delivery  
 U.S. Mail  
 Overnight Mail  
 Fax Transmission

Brian Dickman  
Rocky Mountain Power  
201 S Main St Ste 2300  
Salt lake City UT 84111

Hand Delivery  
 U.S. Mail  
 Overnight Mail  
 Fax Transmission

Data Request Response Center  
PacifiCorp  
825 NE Multnomah Ste 2000  
Portland OR 97232

Hand Delivery  
 U.S. Mail  
 Overnight Mail  
 Fax Transmission

Dean J Miller  
McDevitt & Miller LLP  
PO Box 2564  
Boise ID 83701- 2564

Hand Delivery  
 U.S. Mail  
 Overnight Mail  
 Fax Transmission

Stephen E Martin  
Intermountain Wind LLC  
425 S Homes  
PO Box 3189  
Idaho Falls ID 83403- 3189

Hand Delivery  
 U.S. Mail  
 Overnight Mail  
 Fax Transmission

Peter J Richardson  
Richardson & O'Leary  
PO Box 7218  
Boise ID 83702

Hand Delivery  
 U.S. Mail  
 Overnight Mail  
 Fax Transmission

Dr Don Reading  
6070 Hill Road  
Boise ID 83703

Hand Delivery  
 U.S. Mail  
 Overnight Mail  
 Fax Transmission

William M Eddie  
Advocates for the West  
610 SW Alder Ste 910  
Portland OR 97205

Hand Delivery  
 U.S. Mail  
 Overnight Mail  
 Fax Transmission

Ken Dragoon  
Renewable NW Project  
917 SW Oak St Ste 303  
Portland OR 97205

Hand Delivery  
 U.S. Mail  
 Overnight Mail  
 Fax Transmission

Barton L Kline  
Monica B Moen  
Idaho Power Company  
PO Box 70  
Boise ID 83707- 0070

Hand Delivery  
 U.S. Mail  
 Overnight Mail  
 Fax Transmission

Natalie McIntire  
Renewable NW Project  
917 SW Oak Ste 303  
Portland OR 97205

Hand Delivery  
 U.S. Mail  
 Overnight Mail  
 Fax Transmission

Ridgeline Energy LLC  
c/o Rich Rayhill  
720 W Idaho St Ste 39  
Boise ID 83702

Hand Delivery  
 U.S. Mail  
 Overnight Mail  
 Fax Transmission

Robert M Ellis  
4 Nickerson Ste 301  
Seattle WA 98109

Hand Delivery  
 U.S. Mail  
 Overnight Mail  
 Fax Transmission

Neil Parpart  
nparpart@cableone.net

Hand Delivery  
 U.S. Mail  
 Overnight Mail  
 Fax Transmission  
 email

Richard L Storro  
Director Power Supply  
Avista Corporation  
PO Box 3727 /MSC - 7  
Spokane WA 99220- 3727

Hand Delivery  
 U.S. Mail  
 Overnight Mail  
 Fax Transmission

William J Batt  
John R Hammond JR  
PO Box 1308  
Boise ID 83701

Hand Delivery  
 U.S. Mail  
 Overnight Mail  
 Fax Transmission

Michael Heckler Director  
Windland Inc  
7669 W Riverside Dr, Ste 102  
Boise ID 83714

Hand Delivery  
 U.S. Mail  
 Overnight Mail  
 Fax Transmission

Armand Eckert  
Magic Wind LLC  
716- B East 4900 North  
Buhl ID 83316

Hand Delivery  
 U.S. Mail  
 Overnight Mail  
 Fax Transmission

Glen Ikemoto  
Principal  
Energy Vision LLC  
672 Blair Ave  
Piedmont CA 94611

Hand Delivery  
 U.S. Mail  
 Overnight Mail  
 Fax Transmission

David Hawk  
Dir Energy Natural Res  
JR Simplot Company  
PO Box 27  
Boise ID 83707- 0027

Hand Delivery  
 U.S. Mail  
 Overnight Mail  
 Fax Transmission

R Scott Pasley  
Assistant General Counsel  
JR Simplot Company  
PO Box 27  
Boise ID 83707- 0027

Hand Delivery  
 U.S. Mail  
 Overnight Mail  
 Fax Transmission

Troy Gagliano  
917 SW Oak St Ste 303  
Portland OR 97205

Hand Delivery  
 U.S. Mail  
 Overnight Mail  
 Fax Transmission

LeRoy Jarolimek  
605 S 600 W  
Burley ID 83318

Hand Delivery  
 U.S. Mail  
 Overnight Mail  
 Fax Transmission

Gerald Fleischman  
11535 W Hazeldale Ct  
Boise ID 83713

Hand Delivery  
 U.S. Mail  
 Overnight Mail  
 Fax Transmission

Steve Kohntopp  
2186 E 4200 N  
Filer ID 83328

Hand Delivery  
 U.S. Mail  
 Overnight Mail  
 Fax Transmission

Mark Slifka  
PO Box 580  
Middleton ID 83644

Hand Delivery  
 U.S. Mail  
 Overnight Mail  
 Fax Transmission

Glenn Dalton  
1118 Ashgrove Rd  
Nicholasville KY 40356

Hand Delivery  
 U.S. Mail  
 Overnight Mail  
 Fax Transmission

Knight C Duerig  
President  
Idaho Rural Council  
4199 N Meridian Box 403  
King Hill ID 83633

Hand Delivery  
 U.S. Mail  
 Overnight Mail  
 Fax Transmission

Dar Olberding  
5454 W Central Rd  
Emmett ID 83617

Hand Delivery  
 U.S. Mail  
 Overnight Mail  
 Fax Transmission

Joe Bernasconi  
10491 W Bucktail Dr  
Boise ID 83714

Hand Delivery  
 U.S. Mail  
 Overnight Mail  
 Fax Transmission

Shawn Maxey  
IDA-Lew Economic  
Development Council  
PO Box 393  
Grangeville ID 83530

Hand Delivery  
 U.S. Mail  
 Overnight Mail  
 Fax Transmission

The Honorable Gerry Sweet  
3122 N Sunny Side Ave  
Meridian ID 83642

Hand Delivery  
 U.S. Mail  
 Overnight Mail  
 Fax Transmission

E. Wade Quigley  
20010 Highway 30  
Buhl ID 83316

Hand Delivery  
 U.S. Mail  
 Overnight Mail  
 Fax Transmission

Tyler Schwendiman  
Schwendiman Wind LLC  
9633 E Highway 30  
Newdale ID 83436

Hand Delivery  
 U.S. Mail  
 Overnight Mail  
 Fax Transmission

Mark Schroeder  
Schroeder Wind Farm  
4481 N 1800 E  
Buhl ID 83316- 5336

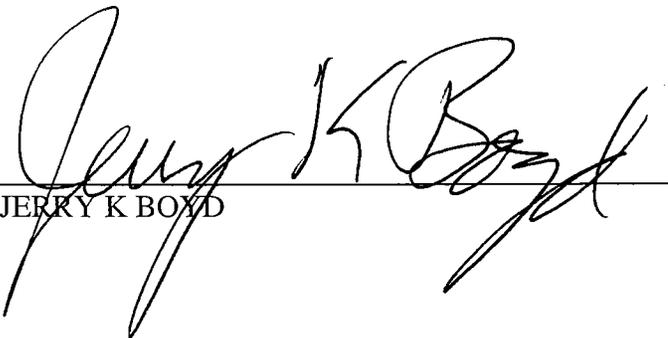
Hand Delivery  
 U.S. Mail  
 Overnight Mail  
 Fax Transmission

Jay Chang  
Element Markets  
1 Sugar Creek Ctr Blvd, Ste 250  
Sugar Land TX 77478

Hand Delivery  
 U.S. Mail  
 Overnight Mail  
 Fax Transmission

Senator Steven Bair  
ID State Legislature  
State Capitol Bldg  
PO Box 83720  
Boise ID 83720- 0081

Hand Delivery  
 U.S. Mail  
 Overnight Mail  
 Fax Transmission

  
\_\_\_\_\_  
JERRY K BOYD

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