

R. Blair Strong

July 16, 2007

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

RE:

PAC-E-07-07

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

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Attorneys for Avista Corporation

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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IN THE MATTER OF THE PETITION OF)	
ROCKY MOUNTAIN POWER FOR AN)	
ORDER REVISING CERTAIN)	NO. PAC-E-07-07
OBLIGATIONS TO ENTER INTO)	
CONTRACTS TO PURCHASE ENERGY)	PETITION OF AVISTA
GENERATED BY WIND-POWERED SMALL)	CORPORATION TO INTERVENE
POWER GENERATION QUALIFYING)	
FACILITIES)	(Reference Related Case Nos. AVU-E-
)	07-02 and IPC-E-07-03)
)	

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

PETITION OF AVISTA CORPORATION TO INTERVENE - 1

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:

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Avista's Interest in this Proceeding 4.

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:

Reducing the published avoided cost rates applicable to purchases by Avista of a. 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 Wax of July 2007.

PAINE HAMBLEN LLP

By:

Jerry K Boyd, Idaho Bar # 1/

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CERTIFICATE OF SERVICE

I hereby certify that on the 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.

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