

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE FILING BY)
AVISTA CORPORATION DBA AVISTA) **CASE NO. AVU-G-07-04**
UTILITIES OF ITS 2007 NATURAL GAS)
INTEGRATED RESOURCE PLAN (IRP)) **ORDER NO. 30523**
_____)

On December 28, 2007, Avista Corporation dba Avista Utilities (Avista) filed its 2007 Natural Gas Integrated Resource Plan (IRP) with the Idaho Public Utilities Commission (Commission). On January 23, 2008, the Commission issued a Notice of the Company's IRP filing and established a March 14, 2008 comment deadline. The Commission Staff was the only party to submit comments. Staff recommends that the Company's IRP be acknowledged and accepted.

The Commission has completed its review of the Company's 2007 Natural Gas Integrated Resource Plan and has considered the filings of record in Case No. AVU-G-07-04, including the comments and recommendations of the Commission Staff. The Company's IRP identifies a strategic gas-supply portfolio that is intended to meet the Company's future demand requirements. Resource options include both supply-side and demand-side measures. By this Order, the Commission accepts the filing and acknowledges that it satisfies the Commission's requirements as set forth in Order No. 25342, Case No. GNR-G-93-2 (Reference PURPA § 303(b)(3), Energy Policy Act of 1992). The Company is apprised that the Commission's acknowledgement is not to be interpreted as approval, or as judgment of prudence of the IRP or the prudence of following or not following the plan. The Commission appreciates the Company's efforts and hopes that preparation of the document proved to be of operational benefit to the Company.

Avista in its IRP states that it has sufficient natural gas resources in Washington and Idaho until 2014-2015. Peak-day resource deficits begin in those years and are driven primarily by projected average demand growth of 2% per year and average natural gas customer growth of 2.4%. Given this timing, the Company contends that it has sufficient time to carefully monitor, plan and take action on potential resource additions.

The Company's IRP identifies and establishes an Action Plan that will steer the Company toward a risk-adjusted, least-cost method of providing service to its natural gas

customers. Included in its 2008-2009 Action Plan are efforts to improve modeling, evaluation of its planning standards, further research into supply-side resource options and goals for demand-side management. As reflected in Avista's IRP, the Company is responding to the risk of elevated prices and increased volatility by using a number of tools such as financial hedging and storage.

Staff contends that the 2014-2015 deficiency identified by the Company may occur earlier should the Company not attain its targeted DSM savings (i.e., 1,425,000 therms in the first year). Staff contends further that competition for supply and increases in demand may result in a higher commodity cost than projected by the Company.

CONCLUSIONS OF LAW

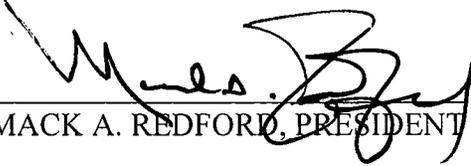
The Idaho Public Utilities Commission has jurisdiction over Avista Corporation dba Avista Utilities, a natural gas utility, and the issues raised in Case No. AVU-G-07-04 pursuant to the jurisdiction granted under Title 61 of the Idaho Code and the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

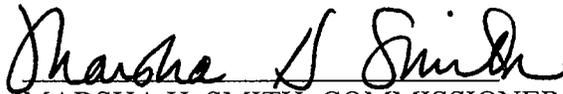
ORDER

In consideration of the foregoing and as more particularly described above, the Commission by this Order does hereby acknowledge and accept Avista's natural gas 2007 Integrated Resource Plan filing.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 3rd
day of April 2008.


MACK A. REDFORD, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


JIM D. KEMPTON, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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