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IDAHO PUBLIC UTILITIES COMMISSION

David J. Meyer, Esq.
Vice President and Chief Counsel of
Regulatory and Governmental Affairs
Avista Corporation
1411 E. Mission Avenue
P.O. Box 3727
Spokane, Washington 99220
Phone: (509) 495-4316, Fax: (509) 495-8851

Donald L. Howell, II
Kristine Sasser
Deputy Attorneys General
Idaho Public Utilities Commission Staff
P.O. Box 83720
Boise, ID 83720-0074
Phone: (208) 334-0312, Fax: (208) 334-3762

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF AVISTA CORPORATION DBA)	CASE NOS. AVU-E-11-01
AVISTA UTILITIES FOR AUTHORITY TO)	AVU-G-11-01
INCREASE ITS RATES AND CHARGES)	
FOR ELECTRIC AND NATURAL GAS)	MOTION FOR APPROVAL OF
SERVICE IN IDAHO)	STIPULATION AND SETTLEMENT

COMES NOW, Avista Corporation ("Avista" or "Company") and the Commission Staff, and hereby move the Commission for an Order accepting the settlement Stipulation filed herewith. RP 56; 272; 274. This Motion is based on the following:

1. On July 5, 2011, Avista filed an Application with the Commission for authority to increase revenue from electric and natural gas service in Idaho by 3.7% and 2.7%, respectively. If approved, the Company's revenues for electric base retail rates would have increased by \$9.0 million annually; Company revenues for natural gas service would have

increased by \$1.9 million annually. The Company requested an effective date of August 5, 2011 for its proposed electric and natural gas rate increases. By Order No. 32292, dated July 14, 2011, the Commission suspended the proposed schedules of rates and charges for electric and natural gas service for a period of thirty (30) days plus five (5) months, from August 5, 2011, until such time as the Commission enters an Order accepting, rejecting or modifying the Application in this matter.

2. Petitions to intervene in this proceeding were filed by Clearwater, Idaho Forest, CAPAI and the Idaho Conservation League. By various orders, the Commission granted these interventions. *See*, IPUC Order Nos. 32296 and 32317.

3. A settlement conference was noticed and held in the Commission offices on August 17, 2011, and was attended by signatories to this Stipulation; further discussions ensued.

4. Based on settlement discussions, the Parties whose signatures appear on the Stipulation have agreed to resolve and settle all of the issues in the case. A copy of the signed Stipulation evidencing that settlement is enclosed as Attachment 1.

5. The Parties recommend that the Commission grant this Motion and approve the Stipulation in its entirety, without material change or condition, pursuant to RP 274.

6. The Parties respectfully request that the Commission consider the Motion, the Stipulation, and the pre-filed testimony in support of the Stipulation at the time of the technical evidentiary hearings to be scheduled in this docket. The Parties request that any such hearings be scheduled so as to allow the implementation of new rates, as per the Stipulation, on October 1, 2011. The testimony in support of the Stipulation will be filed on or before September 9, 2011.

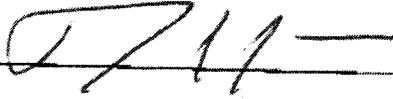
7. As noted in the Stipulation, all of the Parties agree that the Stipulation is in the public interest and that all of its terms and conditions are fair, just and reasonable.

8. In order to synchronize the effective date of the proposed Settlement rates with other rates changes also proposed to be effective on October 1, 2011 [e.g., PCA Decrease (Schedule 66); DSIT Increase (Schedule 99-Electric); Residential Exchange Decrease (Schedule 59); PGA Increase (Schedules 150/155); DSM Decrease (Schedule 191), DSIT Increase (Schedule 199-Gas)], the proposed Settlement would also become effective on October 1, 2011. By avoiding multiple adjustments to rates occurring at different times, the parties wish to minimize customer confusion. The Settlement, at Section 6, explains the net effect of all the proposed electric and natural gas rate changes proposed to occur on October 1, 2011, representing a net overall reduction in electric revenues of \$6.2 million and a net overall reduction in gas revenues of \$0.525 million. This is after taking into account the agreed-upon rate case settlement rates which call for an overall increase of \$2.8 million for electric service (1.1%) and an increase of \$1.1 million for natural gas service (1.6%).

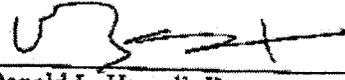
NOW, THEREFORE, the Parties respectfully request that the Commission issue orders in Case Nos. AVU-E-11-01 and AVU-G-11-01:

1. Granting this Motion and accepting the Stipulation (Attachment 1), in its entirety, without material change or condition; and
2. Authorizing the Company to implement revised tariff schedules designed to recover the additional annual electric and natural gas revenue from Idaho customers consistent with the terms of the Stipulation; and
3. Authorizing that revised tariff schedules be made effective October 1, 2011.

Respectfully submitted this 26th day of August 2011.



David J. Meyer
Attorney for Avista Corporation



Donald L. Howell, II
Weldon Stutzman
Deputy Attorneys General
Idaho Public Utilities Commission Staff

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this 26th day of August, 2011, served the Motion for Approval of Stipulation and Settlement in Case Nos. AVU-E-11-01 and AVU-G-11-01, upon the following parties, by mailing a copy thereof, properly addressed with postage prepaid to:

Jean D Jewell, Secretary
Idaho Public Utilities Commission
Statehouse
Boise, ID 83720-5983
Jean.jewell@puc.idaho.gov

Brad M. Purdy
Attorney at Law
2019 N 17th Street
Boise, ID 83720
bmpurdy@hotmail.com

Donald Howell
Deputy Attorneys General
Idaho Public Utilities Commission
472 W. Washington
Boise, ID 83702-0659
kristine.sasser@puc.idaho.gov
donald.howell@puc.idaho.gov

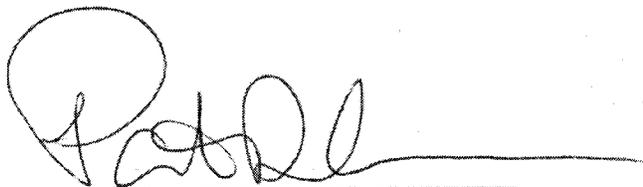
Peter J. Richardson
Greg M. Adams
Richardson & O'Leary PLLC
515 N. 27th Street
PO Box 7218
Boise, ID 83702
peter@richardsonandoleary.com
greg@richardsondoleary.com

Marv Lewallen
Clearwater Paper
601 W. Riverside Avenue
Suite 1100
Spokane, WA 99201
marv.lewallen@clearwaterpaper.com

Dean J. Miller
McDevitt & Miller, LLP
420 W. Bannock St.
PO Box 2564-83701
Boise, ID 83701-2564
joe@mcdevitt-miller.com

Scott Atkison
Idaho Forest Products
171 Highway 95 N.
Grangeville, ID 83530
scotta@idahoforestgroup.com

Dr. Don Reading
6070 Hill Road
Boise, ID 73703
dreading@mindspring.com



Patrick Ehrbar
Manager, Rates and Tariffs