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IDAHO PUBLIC
UTILITIES COMMISSION

September 19, 2012

State of Idaho
Idaho Public Utilities Commission
472 W. Washington Street
Boise, Idaho 83702-5983

Case No. AVU-G-12-05 (2012 Avista Annual Purchased Gas Adjustment - Comments)

Attention: Ms. Jean D. Jewell

On September 17, 2012, Commission Staff issued their "Staff Comments" related to Avista's 2012 Annual Purchased Gas Adjustment Filing. Staff recommended, among other things, that the Commission approve a modification to the proposed amortization rate (Schedule 155) such that approximately \$1.55 million in an un-refunded credit balance be held back due to the Company's filing of a "Notice of Intent to File a General Rate Case".

In short, the Company is supportive of Staff's position on this issue. Like Staff, Avista feels that the un-refunded credit balance could be used to mitigate any potential rate increase approved by the Commission, thereby improving rate stability for customers.

If you have any questions regarding this information, please contact me at (509) 495-8620.

Sincerely,

A handwritten signature in black ink that reads "Patrick Ehrbar".

Patrick Ehrbar
Manager, Rates & Tariffs

Enclosures