May 18, 2006

NOTICE VACATING PROCEDURAL SCHEDULE

RE: In the Matter of the Petition of AVISTA CORPORATION, d/b/a AVISTA UTILITIES, For Continuation of the Company's Energy Recovery Mechanism, with Certain Modifications, Docket UE-060181

TO ALL PARTIES:

On May 17, 2006, the parties requested that the dates for filing rebuttal testimony and cross-answering testimony, and the current dates scheduled for evidentiary hearings, be vacated to facilitate ongoing settlement discussions. The parties also requested that June 15, 2006, be calendared for presentation of a settlement, if one is reached.

The Commission finds good cause to grant the parties' request. If no settlement is reached, the Commission will give notice of a prehearing conference and establish a new procedural schedule. The Commission will reserve September 6 and 7, 2006, as tentative dates for any evidentiary proceedings that may be required.

PLEASE TAKE NOTICE that the procedural schedule in this proceeding is vacated. Additional procedural dates may be established by further notice as discussed above.

Sincerely,

DENNIS J. MOSS Administrative Law Judge