

Avista Corporation
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October 23, 2000

Ms. Carole J. Washburn, Executive Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive, S.W.
Olympia, WA 98504-7250

Re: Docket No. UE-991606, Centralia Bill Credit Compliance Filing

Dear Ms. Washburn:

Enclosed for filing with the Commission are an original and twenty copies of the following tariff sheet:

First Revision Sheet 56 canceling Original Sheet 56 (Schedule 56)

Schedule 56 is being filed in compliance with the Commission's Third Supplemental Order, paragraph 316, in the above referenced Docket to return the customers' share of the Centralia proceeds by a bill credit.

Attachment A shows the calculation of the bill credit amounts, including interest, and the rates by rate schedule. The bill credit amount has been spread to rate schedules using the peak credit ratio for steam production facilities of 71.80% energy and 28.20% demand shown on Tara Knox's Exhibit No. 462, Part 2, page 35. The energy and demand allocators are from page 31 of the same exhibit.

Avista is proposing a two-month bill credit for the December 2000 and January 2001 billing cycles for Residential Service (Schedule 1), General Service (Schedules 11 & 12), Large General Service (Schedules 21 & 22) and Street and Area Lighting Service (Schedules 41-49). The two months of billing cycles begins with meter readings on November 29, 2000 and ends with meter readings on January 30, 2001.

The Centralia bill credit would apply to the entire kilowatt-hour usage shown on bills for the December 2000 and January 2001 billing cycles with no proration of the bill credit rates. A message will show on the customers' bills showing the amount of the Centralia refund for each billing cycle period. A two-month period was chosen over a one-month period, because a one-month period would have caused rates, net of the bill credit, to be negative. The Company believes that negative rates should be avoided to prevent abnormal and wasteful energy usage.

Extra Large General Service (Schedule 25) customers would receive checks for their share of the Centralia proceeds based on kilowatt-hours used for the twelve month period ended September 2000. There are twenty-two Schedule 25 customers. Attachment B is marked "CONFIDENTIAL" and shows the calculation of the proceeds by individual customer. The Schedule 25 customers would receive their checks in the month of December 2000.

The bill credit for Pumping Service (Schedules 30, 31 & 32) would be delayed until the July and August 2001 billing cycles so that customers who might otherwise not receive a bill credit, due to the seasonal nature of agricultural pumping, will receive a credit.

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UTILITY DIVISION

Enclosed is a "Notice of Tariff Change" which will be posted in the Company's offices. An average residential customer using 1,000 kilowatt-hours during the December 2000 and January 2001 billing cycles would receive a Centralia bill credit in each of the two months of \$30.84 for a total credit of \$61.68.

Any difference between the approximate \$33 million bill credit shown on Attachment A and the amount ultimately returned to Washington electric customers will be transferred to the energy efficiency rider balancing account. If you have any questions, please contact Ron McKenzie at (509) 495-4320.

Sincerely,

A handwritten signature in black ink that reads "Thomas D. Dukich". The signature is written in a cursive style with a large, prominent initial 'T'.

Thomas D. Dukich
Manager, Rates and Tariff Administration

Enclosures
RM

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have served the Tariff filing regarding WN U 28 Electric Service UE-991606 of Avista Corporation General Rate Case by mailing a copy thereof, postage prepaid to the following:

Gregory J Trautman, Asst Attorney General
Mary M Tennyson, Asst Attorney General
Attorney General of Washington
PO Box 40128
1400 S. Evergreen Park Dr. SW
Olympia, WA 98504-0128

Simon ffitc
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Nancy Hirsh
Danielle Dixon
Northwest Energy Coalition (NWECC)
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Energy Advocates, LLP
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Don Andre'
Spokane Neighborhood Action Programs
212 W Second Avenue #100
Spokane, WA 99201-3501

Roger Colton (SNAPS)
Fisher, Sheehan and Colton
34 Warwick Road
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Jim Lazar
1063 Capitol Way South
Suite 202
Olympia, WA 98501

Donald W Schoenbeck
Regulatory and Cogeneration Services
900 Washington Street, Suite 1000
Vancouver, WA 98660

Dated at Spokane, Washington this 23rd day of October 2000.



Jean T. Osterberg
Rates Coordinator

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 56

ENERGY RATE ADJUSTMENT - WASHINGTON

APPLICABLE:

To Customers in the State of Washington receiving service under the rate schedules listed below during the period that this energy rate adjustment applies. (c)

PURPOSE:

To return the customers' share of the proceeds from the sale of the Centralia power plant.

RATES AND EFFECTIVE DATES:

The following energy rate adjustments will apply to the kilowatt-hour usages under the electric rate schedules listed below during the stated periods of time:

Effective with meter readings beginning November 29, 2000 and ending with meter readings on January 30, 2001 (inclusive) without proration

Schedule 1	3.084¢ credit per Kwh
Schedules 11 & 12	3.323¢ credit per Kwh
Schedules 21 & 22	3.474¢ credit per Kwh
Schedules 41-49	3.249¢ credit per Kwh

Effective with meter readings beginning June 28, 2001 and ending with meter readings on August 28, 2001 (inclusive) without proration

Schedules 30, 31 & 32	2.036¢ credit per Kwh
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SPECIAL TERMS AND CONDITIONS:

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

The above Rates are subject to the provisions of Tax Adjustment Schedule 58. (c)

Issued October 23, 2000

Effective November 23, 2000

Issued by Avista Corporation
By

, Manager, Rates & Tariff Administration

Thomas D. Durbich

AVISTA CORPORATION
NOTICE OF TARIFF CHANGE
(Electric Service Only)

Notice is hereby given that the "Sheet" listed below of Tariff WN U-28, covering electric service, has been filed with the Washington Utilities and Transportation Commission at Olympia:

First Revision Sheet 56 canceling Original Sheet 56

The purpose of this filing is to return the customers' share of the proceeds from the sale of the Centralia power plant by a bill credit. The total amount of bill credit for all customer classes amounts to about \$33 million.

Avista is proposing a two-month bill credit for the December 2000 and January 2001 billing cycles for Residential Service (Schedule 1), General Service (Schedules 11 & 12), Large General Service (Schedules 21 & 22) and Street and Area Lighting Service (Schedules 41-49). The two months of billing cycles begins with meter readings on November 29, 2000 and ends with meter readings on January 30, 2001.

Extra Large General Service (Schedule 25) customers would receive checks for their share of the Centralia proceeds based on kilowatt-hours used for the twelve month period ended September 2000. There are twenty-two Schedule 25 customers. The Schedule 25 customers would receive their checks in the month of December 2000.

The bill credit for Pumping Service (Schedules 30, 31 & 32) would be delayed until the July and August 2001 billing cycles so that customers who might otherwise not receive a bill credit, due to the seasonal nature of agricultural pumping, will receive a credit.

An average residential customer using 1,000 kilowatt-hours during the December 2000 and January 2001 billing cycles would receive a Centralia bill credit in each of the two months of \$30.84 for a total credit of \$61.68.

A copy of the proposed tariff change is available for inspection in the Company's offices.

October 23, 2000

Avista Corp.
Centralia Sale Proceeds Bill Credit
Washington - Electric

Line No.	Type of Service (a)	Schedule Number (b)	Energy Allocator MWH (c)	71.80% Energy (d)	Demand Allocator MW (e)	28.20% Demand (f)	Weighted Allocation (g)	Allocated Bill Credit (h)	Estimated Dec-00 & Jan-00 kWh (i)	Bill Credit per kWh (j)
1	Residential	1	2,340,964	0.318365	409,858	0.137661	0.456026	\$15,092,388	489,431,000	\$0.03084
2	General Service	11	393,713	0.053544	73,770	0.024778	0.078322	2,592,102	78,006,000	\$0.03323
3	Large General Service	21	1,561,310	0.212334	228,934	0.076894	0.289228	9,572,132	275,549,000	\$0.03474
4	Extra Large General Service	25	843,166	0.114668	110,877	0.037241	0.151909	5,027,497	Direct refunds	
5	Pumping Service	31	110,878	0.015079	14,441	0.004850	0.019929	659,559		\$0.02036 (Note 1)
6	Street & Area Lights	41-49	29,484	0.004010	1,714	0.000576	0.004586	151,776	4,672,000	\$0.03249
7	Total		5,279,515	0.718000	839,594	0.282000	1.000000	\$33,095,454		
8	Net of tax Centralia gain							\$19,869,296		
9	Interest (9.03%) net of tax for 7 months May-Nov.							680,300		
10	Total							\$20,549,596		
11	Divided by the conversion factor							0.620919		
12	Bill credit							\$33,095,454		
Note 1: Because of the seasonal pattern of agricultural pumping, the refund is proposed to be made in July and August 2001.										
13	Bill credit at December 1, 2000							\$659,559		
14	Multiplied by the conversion factor							0.620919		
15	Net of tax bill credit at December 1, 2000							\$409,533		
16	Interest (9.03%) net of tax for 7 months Dec.-June							14,022		
17	Total							\$423,555		
18	Divided by the conversion factor							0.620919		
19	Bill credit							\$682,142		
20	Estimated July and August 2001 kWh							33,496,000		
21	Bill credit rate							\$0.02036		