

[Service Date December 10, 2009]

December 10, 2009

Mr. David Meyer  
Vice President and Chief Counsel of  
Regulatory and Governmental Affairs  
Avista Corporation  
1411 East Mission  
P.O. Box 3727  
Spokane, WA 99220-0500

Re: *In the Matter of the Power Purchase Agreement Between Avista Turbine Power and Avista Corporation Pursuant to RCW 80.16.020, Docket UE-091902*

Dear Mr. Meyer:

On Tuesday, December 8, 2009, the Washington Utilities and Transportation Commission received Avista's affiliated interest filing comprised of a copy of the Lancaster Power Purchase Agreement and a copy of a related Company filing with FERC. As per the usual custom with affiliated filings, we have tentatively assigned your filing its own docket number (UE-091902) and added the matter as a "no action" item on the Open Meeting agenda for January 14, 2010.

However, your cover letter makes several references to the pending general rate case, Docket UE-090134. You also sent courtesy copies to all parties in the rate case. Therefore, the Company's intentions with regard to this filing are unclear.

Please clarify whether Avista seeks to have its Lancaster Power Purchase Agreement filed in Dockets UE-090134, UG-090135 & UG-060518 (consolidated). **Given the fast approaching suspension date in the pending general rate case, please reply no later than 3:00 p.m. tomorrow, Friday, December 11, 2009.**

Sincerely,

DAVID W. DANNER  
Executive Director and Secretary

cc: Parties of Record in Dockets UE-090134, UG-090135 & UG-060518 (*consolidated*)