

Avista Corp.
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October 7, 2003

Carole Washburn, Executive Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive S. W.
P.O. Box 47250
Olympia, Washington 98504-7250

Re: Docket No. UG-021584 – Natural Gas Benchmark Mechanism

Dear Ms. Washburn:

Enclosed please find the original and nineteen copies of Avista's Statement in response to paragraph 14 of the Commission's Fourth Supplemental Order in the above-cited docket.

Please contact me at (509) 495-4267 regarding any related matters.

Sincerely,

A handwritten signature in cursive script that reads "Kelly Norwood".

Kelly Norwood
Vice President, State and Federal Regulation

c: Service List

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have served Avista's Statement Pursuant to the Fourth Supplemental Order in Docket No. UG-021584, by mailing a copy thereof, postage prepaid to the following:

Carole Washburn
Executive Secretary
Washington Utilities & Transportation Commission
1300 S. Evergreen Park Drive SW
Olympia, WA 98504-7250

Robert Cromwell
Office of the Attorney General
Public Counsel Section
900 Fourth Avenue, Suite 2000
Seattle, WA 98164-1012

Donald T. Trotter, Senior Counsel
Attorney General of Washington
PO Box 40128
1400 S. Evergreen Park Dr. SW
Olympia, WA 98504-0128

Dated at Spokane, Washington this 7th day of October 2003.



Patty Olsness
Rates Coordinator

**BEFORE THE WASHINGTON STATE UTILITIES AND
TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,)	DOCKET NO. UG-021584
)	
Complainant,)	
)	
v.)	AVISTA STATEMENT PURSUANT TO THE FOURTH SUPPLEMENTAL ORDER
)	
AVISTA CORPORATION d/b/a AVISTA UTILITIES,)	
)	
Respondent.)	
.....)	

1. On October 6, 2003, the Commission issued its Fourth Supplemental Order; Approving, in Part, and Rejecting in Part Settlement Agreement; Authorizing Compliance Filing (Fourth Supplemental Order) in the Natural Gas Benchmark Mechanism proceeding, Docket No. UG-021584.

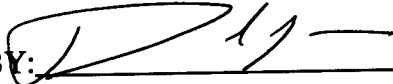
2. At paragraphs 12 and 13, page 6, of the Fourth Supplemental Order, the Commission approved the settlement agreement filed by the parties except for section 2B. The Commission rejected section 2B. Section 2B provides that should a consensus not be reached among the parties, Avista would be precluded from filing the same type of mechanism for a period of two years after the March 31, 2005 expiration of the Mechanism adopted in the settlement agreement.

3. Paragraph 14 of the Fourth Supplemental Order directs each party “to file with the Commission a statement of whether they accept the Commission’s partial approval of

the settlement agreement” within seven days of the date of the Fourth Supplemental Order.

4. In response to paragraph 14, Avista Utilities accepts the Commission’s partial approval of the settlement agreement. Avista Utilities agrees to withdraw section 2B of the agreement. Upon acceptance by other parties and in compliance with the Fourth Supplemental Order, Avista Utilities would file a new tariff with an effective date of December 1, 2003.

Dated at Spokane, Washington this 7th day of October 2003.

BY:  _____

David J. Meyer
Senior Vice President and General Counsel
for Avista Corporation