



Avista Corp.

1411 East Mission P.O. Box 3727
Spokane, Washington 99220-0500
Telephone 509-489-0500
Toll Free 800-727-9170

May 24, 2012

VIA: Electronic Mail

Mr. David Danner
Executive Director and Secretary
Washington Utilities and Transportation Commission
PO Box 47250
1300 S. Evergreen Park Drive SW
Olympia, WA 98504-7250

RE: Docket No. UE-120480

Dear Mr. Danner:

Attached for filing with the Commission is an electronic copy of the Company's "revised" cover letter in the above referenced docket related to the following proposed revisions to tariff sheet, WN U-28:

Second Revision Sheet 70-R Canceling First Revision Sheet 70-R and
Second Revision Sheet 70-S

The purpose of this filing is to replace existing tariff language related to the "Buy-Back of Customer Power" and the "Buy-Back of Customer Power – Pumping Service". These programs were initiated during the 2001 western energy crisis, and expired effective October 31, 2001. The new tariff language is related to "Load Management Pilot Programs." In order for the Company to evaluate load management innovative technologies or processes, Avista would like to periodically conduct limited-scale pilot programs.

The Company proposes to maintain and make available complete pilot program descriptions as they are created and submitted to this docket as compliance filings. The pilot program descriptions will list eligibility requirements, services provided by the program, funding, and measure analysis criteria.

The Company proposes that the services provided under the pilot programs be subject to the provisions of Schedule 70, Rules and Regulations, and not be subject to demonstration of energy

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efficiency cost effectiveness in the short term. This proposed rule would be set to expire on October 31, 2016.

The costs associated with a pilot program under this tariff schedule will have a threshold amount of approximately \$500,000 and the Company proposes to recover those costs through its general rate case process.

The Company proposes an effective date of June 1, 2012.

Pursuant to WAC 480-100-195(2), enclosed is a "Notice of Tariff Change" which will be posted on the Company's website coincident with the date of this filing.

Please direct any questions on this matter to me at (509) 495-4975.

Sincerely,

/s/Linda Gervais

Linda Gervais
Manager, Regulatory Policy
State and Federal Regulation
Avista Utilities
509-495-4975
linda.gervais@avistacorp.com

Enclosures