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February 7, 2007

Carole J. Washburn, Secretary Washington Utilities and Transportation Commission 1300 S. Evergreen Park Dr. SW P. O. Box 47250 Olympia, Washington 98504-7250

Re:

In the Matter of the Petition of Avista Corporation d/b/a Avista Utilities for an Order Authorizing Implementation of a Natural Gas Decoupling Mechanism and to Record Accounting Entries Associated with the Mechanism

Docket No. UG-060518

Acceptance by Staff of Conditions Set Forth in Order 04

Dear Ms. Washburn:

On February 1, 2007, the Commission issued its Order 04 "Final Order Approving Decoupling Pilot Program," in which it made modifications to the decoupling mechanism in paragraph 48 of Order. Staff hereby notifies the Commission that it accepts such modifications.

Sincerely,

GREGORY J. TRAUTMAN Assistant Attorney General

GJT:tmw Enclosure cc: Parties