

May 22, 2002

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

Re: Docket No. A-020405, Interest on Deposits Rulemaking

Dear Ms. Washburn:

Thank you for the opportunity to comment in the above-cited docket established to determine the appropriate method for calculating interest on deposits in light of the discontinuation of data previously used to calculate such a rate.

Avista Utilities proposes that the one-year Treasury Bill rate for the previous year, or other pertinent period, be used to determine interest on customer deposits. This option should result in an interest rate for customer deposits that is similar to the 52-week Treasury bill rate used previously.

Avista Utilities looks forward to participating in this rule revision. Please direct any questions on this matter to me at (509) 495-8706.

Sincerely,

Bruce Folsom
Rates and Regulation