

February 14, 2007

**NOTICE ACKNOWLEDGING RECEIPT OF PARTIES'
ACCEPTANCE TO PARAGRAPH 48 OF ORDER 04**

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 UG-060518

TO ALL PARTIES OF RECORD:

On February 1, 2007, the Washington Utilities and Transportation Commission (Commission) entered Order 04—Final Order Approving Decoupling Pilot Program. Paragraph 48 of the Order states the settling parties must each agree within ten business days to a settlement agreement modification containing the following changes:

“First, any funds that are not deferred due to either the “earnings” and/or the “DSM” test may not be carried over to the next period. Second, the Company may not record interest on deferrals until such time as the deferrals are approved for recovery by the Commission.”

Avista Corporation filed a letter on February 5, 2007, accepting the modification set forth in Paragraph 48 of Order 04, NW Energy Coalition on February 6, 2007, Commission Staff on February 7, 2007, and Northwest Industrial Gas Users on February 8, 2007. The Commission acknowledges the receipt of acceptance of the modifications as set forth in Order 04 from Avista, NW Energy Coalition, Commission Staff, and Northwest Industrial Gas Users.

Sincerely,

CAROLE J. WASHBURN
Executive Secretary