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February 25, 2008

State of Washington
Washington Utilities & Transportation Commission
1300 S. Evergreen Park Drive
Olympia, Washington 98504-8002

Attention: Ms. Carole Washburn, Executive Secretary

RE: UG-060518
Draft Evaluation Plan for Avista Natural Gas Decoupling Mechanism

Dear Ms. Washburn:

On February 1, 2008, Avista filed a letter with the Commission regarding the status of the draft evaluation plan (Evaluation Plan or Plan) for Avista's natural gas decoupling mechanism. In that letter, the Company stated that by March 1, 2008, the Company would either: 1) file a copy of the Evaluation Plan, or 2) provide the Commission with a progress report concerning the status of the Plan. The Plan will not be completed by March 1 and the following is a status report on the development of the Plan.

On January 18, 2008, a draft of the Plan was provided by Avista to the Commission Staff. Staff's comments were incorporated and the revised Plan was distributed to the other Parties in this Docket on February 6th. These other Parties include Public Counsel, Northwest Energy Coalition (NVEC), Northwest Industrial Gas Users and The Energy Project. To date, additional comments on the Plan have been received from Public Counsel and NVEC. During the week of March 3rd, the Company will again distribute the Plan to the Parties with all comments that have been received. The Company will then schedule a meeting with the Parties as soon as possible to continue working toward the final Plan. The Company will file the Evaluation Plan with the Commission by April 30, 2008. The Company apologizes for any inconvenience this delay has caused the Commission and the other Parties in this Docket.

If you have any questions regarding this letter, please contact me at 509-495-4723.

Sincerely,

A handwritten signature in cursive script that reads "Brian Hirschorn".

Brian Hirschorn
Manager, Pricing

cc: Service List in Docket No. UG-060518

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served Avista Utilities', a division of Avista Corp, Natural Gas Decoupling Evaluation Plan progress report, Docket No. UG-060518, upon the parties listed below by mailing a copy thereof, postage prepaid and by electronic mail or CD.

Nancy Hirsh
The Northwest Energy Coalition
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I declare under penalty of perjury that the foregoing is true and correct.

Dated at Spokane, Washington this 25th day of February 2008.



Patty Olsness
Rates Coordinator