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

January 27, 2014

***Via Electronic Mail***

Steven V. King

Executive Director and Secretary

Washington Utilities & Transportation Commission

1300 S. Evergreen Park Drive S. W.

P.O. Box 47250

Olympia, Washington 98504-7250

Re: Docket No. UE-121421 - Avista Utilities 2013 Electric Integrated Resource Plan

Dear Mr. King,

Avista Corporation d/b/a/ Avista Utilities, hereby submits a copy of its updated “Action Plan” to its 2013 Electric Integrated Resource Plan (IRP). The updated Action Plan is a result of comments made during the Company’s presentation of the IRP to the Commission on January 9, 2014, as well as conversations with Commission Staff to address questions and concerns they had regarding the IRP.

Specifically, the Company has added the following items to the 2013 Electric IRP - Action Plan filed on August 30, 2013.

**Generation Resource Related Analysis**

* Continue to evaluate scenarios related to Colstrip and how each scenario may impact power supply costs
* Evaluate and explicitly document various options for quantifying carbon costs in the IRP
* Work with TAC to determine which carbon quantification method should be employed in the Expected Case of the 2015 IRP
* Use Avista’s new modeling capabilities to further evaluate the benefits of storage resources to its generation portfolio, including the impacts on ancillary services needs.
* Revisit with the TAC the benefits and costs of the Company’s 2013 IRP planning margin target to determine if a different level is warranted in the 2015 IRP.
* Evaluate with the TAC the impacts of different points along the efficient frontier.

**Energy Efficiency**

* Evaluate the impacts of targeting individual or groups of energy efficiency options within PRiSM instead of targeting quantities using avoided cost
* Work with TAC to determine if 2015 IRP should continue the historical method of conservation quantification or if PRiSM should be used instead

The Company believes these additional action items are attainable and will be helpful to the development of its 2015 IRP. Please direct any questions regarding the updated Action Plan to Clint Kalich, Manager, Resource Planning and Analysis at (509) 495-4532.

Sincerely,

/s/Linda Gervais/

Manager, Regulatory Policy

Avista Utilities

[linda.gervais@avistacorp.com](mailto:linda.gervais@avistacorp.com)

509-495-4975

(Attachment)