

[Service Date August 26, 2010]

August 26, 2010

Dennis Vermillion, President  
Avista Utilities  
1411 East Mission, MSC-14  
Post Office Box 3727  
Spokane, Washington 99220-0500

Re: Avista Utilities' 2009 Natural Gas Integrated Resource Plan  
Docket UG-090015

Dear Mr. Vermillion:

The Washington Utilities and Transportation Commission (Commission) has carefully reviewed the 2009 Natural Gas Integrated Resource Plan (IRP) filed by Avista Utilities (Avista) and finds that it meets the requirements of Washington Administrative Code 480-90-238.

Be aware that this finding does not signal pre-approval for ratemaking for any course of action identified in the IRP. At the time of Avista's general rate case, the Commission will give due weight to the information, analyses, and strategies contained in the most recent IRP along with other relevant evidence when determining the prudence of the company's actions.

Because an IRP cannot pinpoint precisely the future actions that will minimize a utility's cost for a given level of risk, we expect that the company will update regularly the assumptions that underlie the IRP and adjust its acquisition and operational strategies accordingly.

Attached are specific comments from the Commission regarding the IRP. Commission Staff will provide additional detailed comments as Avista develops its next IRP. Avista should file its next natural gas IRP work plan on or before December 31, 2010, and its next natural gas IRP on or before December 31, 2011.

Sincerely,

David W. Danner  
Executive Director and Secretary

cc: Greg Rahn

Attachment