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October 31, 2005

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

Dear Ms. Washburn:

On August 31, 2005 Avista completed its 2005 Integrated Resource Plan (IRP). The IRP shows the Company retaining surplus capacity and energy positions through 2009 and 2010, respectively. Under current WAC 480-107 rules, Avista is obligated to submit a draft Request For Proposals (RFP) within 90 days following its IRP filing, or November 30, 2005. Given Avista's present surplus position, it would plan to file a zero-megawatt RFP under current rules, which is to say that no new resources are necessary at this time to serve customer load.

Over the past two years Avista has participated in proceedings intended to update WAC 480-107 rules. Draft rules presently are scheduled for a Commission review on November 9. Among the many changes to WAC 480-107 is language exempting a utility from the RFP filing rule when its resource surplus exceeds three years.

Specifically, the proposed revision to WAC 480-107-001 (2) states "The rules in this chapter do not apply to utilities whose integrated resource plan, prepared pursuant to WAC 480-100-238, demonstrates that the utility does not need additional capacity within three years." In reviewing the latest comments on the draft rules, Avista found no party challenging this language.

Preparing an RFP, even one requesting zero megawatts, represents a significant burden on Avista. Given that our capacity and energy needs extend out beyond three years, Avista respectfully requests an extension of its RFP filing deadline to the later of January 31, 2006 or 45 days after the adoption of new WAC 480-107 rules.

On a related matter, Avista's 2005 IRP presents a significant shift to more renewables and conservation when compared to its last plan. We presently contemplate issuing a RFP for these resources prior to the March 31, 2006, and will invite staff to participate in this process to the extent they are available.

Avista appreciates your consideration of this matter.

Sincerely,

Clint Kalich  
 Manager of Resource Planning  
 and Power Supply Analyses