May 13, 2011

Washington Utilities and Transportation Commission

1300 S. Evergreen Park Drive S. W.

P.O. Box 47250

Olympia, Washington 98504-7250

Attention: Mr. David Danner, Executive Director and Secretary

TARIFF WN U-28, ELECTRIC SERVICE, and

TARIFF WN U-29, NATURAL GAS SERVICE

Avista Corporation (“the Company”) hereby submits the attached filing seeking Commission authorization to increase its rates and charges for its electric and natural gas services to its electric and natural gas customers in the state of Washington. With this filing the Company requests an overall increase in billed rates of 8.7% (9.1% in base rates) or $38.3 million for electric service and 4.0% in billed rates (4.0% in base rates) or $6.2 million for natural gas service, to be implemented at the end of the general rate case proceedings.

Additionally, Avista Corporation requests that the Commission **immediately suspend the operation of the general tariff revisions** included in this filing, and set the matter for hearing, including the establishment of a prehearing conference, at the earliest possible date in accordance with WAC 480-07-440(1)(a).

Service of documents pertaining to this filing should be to the following Avista Corporation representatives:

David J. Meyer, Esq. Kelly O. Norwood

VP and Chief Counsel for VP, State & Federal Regulation

Regulatory and Governmental Affairs Avista Corporation

Avista Corporation PO Box 3727

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(509) 495-4316 (509) 495-8851 (FAX)

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Enclosed with this filing are an original and two copies of the following proposed tariff sheets formatted with the coding required by WAC 480-80-105, and three copies in legislative format as required by WAC 480-07-510:

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| --- | --- | --- |
| 9th Revision Sheet 1 | Canceling | 8th Revision Sheet 1 |
| 9th Revision Sheet 11 | Canceling | 8th Revision Sheet 11 |
| 9th Revision Sheet 21 | Canceling | 8th Revision Sheet 21 |
| 9th Revision Sheet 25 | Canceling | 8th Revision Sheet 25 |
| 6th Revision Sheet 25A | Canceling | 5th Revision Sheet 25A |
| 9th Revision Sheet 31 | Canceling | 8th Revision Sheet 31 |
| 8th Revision Sheet 41 | Canceling | 7th Revision Sheet 41 |
| 8th Revision Sheet 42 | Canceling | 7th Revision Sheet 42 |
| 8th Revision Sheet 44 | Canceling | 7th Revision Sheet 44 |
| 9th Revision Sheet 45 | Canceling | 8th Revision Sheet 45 |
| 9th Revision Sheet 46 | Canceling | 8th Revision Sheet 46 |
| 8th Revision Sheet 47 | Canceling | 7th Revision Sheet 47 |
| 9th Revision Sheet 47A | Canceling | 8th Revision Sheet 47A |
| 10th Revision Sheet 91 | Canceling | 9th Revision Sheet 91 |
| 9th Revision Sheet 101 | Canceling | 8th Revision Sheet 101 |
| 9th Revision Sheet 111 | Canceling | 8th Revision Sheet 111 |
| 9th Revision Sheet 112 | Canceling | 8th Revision Sheet 112 |
| 9th Revision Sheet 121 | Canceling | 8th Revision Sheet 121 |
| 9th Revision Sheet 122 | Canceling | 8th Revision Sheet 122 |
| 9th Revision Sheet 131 | Canceling | 8th Revision Sheet 131 |
| 9th Revision Sheet 132 | Canceling | 8th Revision Sheet 132 |
| 9th Revision Sheet 146 | Canceling | 8th Revision Sheet 146 |
| 10th Revision Sheet 150 | Canceling | 9th Revision Sheet 150 |

In support of this filing, the Company has enclosed 19 copies of its prepared direct testimony and exhibits, as well as 3 copies of workpapers showing how test year data were adjusted. (An electronic copy of the workpapers was also provided to the Commission’s accounting advisor, Mr. Maurice Twitchell) A summary document pertaining to the filing is provided as well as the financial reports and other documents required under WAC 480-07-510. An electronic version of this filing and all supporting documents is enclosed as well. The Office of Public Counsel has also been served with a copy of all such documents at the time of filing with the Commission.

Please note that certain sections of the exhibits of Karen S. Feltes, Robert L. Lafferty, Clint G. Kalich, and Scott J. Kinney, along with certain workpapers of Robert L. Lafferty, Scott J. Kinney, William G. Johnson, and Clint G. Kalich have CONFIDENTIAL information. The workpapers of Clint G. Kalich are only being provided electronically on CD due to their voluminous and electronic nature. Additionally as required by WAC 480-07-160(3)(a), the Company is also submitting an Attorney’s Claim of Confidentiality regarding the submission of the unredacted versions of the above-referenced CONFIDENTIAL exhibits and workpapers. These workpapers should be treated as CONFIDENTIAL per WAC 480-07-160 and RCW 80-04-095.

In addition, as part of this filing, the Company is specifically requesting **deferred accounting treatment** of changes in generating plant operation and maintenance costs related to its Coyote Springs 2 natural gas-fired plant and its 15% ownership share of the Colstrip 3 & 4 coal-fired generating plants. Company witness Ms. Andrews discusses the request and associated justification in Exhibit No.\_\_\_(EMA-1T).

Three copies of a “Notice of Tariff Change” are enclosed. This notice will be posted in the Company’s offices coincident with the date of this filing. A service list is attached, with the parties on the service list receiving a complete copy of the pre-filed testimony and exhibits.

In compliance with WAC 480-07-510(3)(i) the Company states that there are no additional material affiliated transactions to report that otherwise were not already reported in the Company’s annual Report of Affiliated Interest Transactions for the test year. The Company’s annual report was filed on April 29, 2011. (See Dockets UE-110771 and UG-110772)

Additional copies of this filing, supporting testimony and exhibits are available from the Company upon request. Questions regarding this filing should be directed to Liz Andrews at (509) 495-8601.

Sincerely,

Kelly Norwood

VP, State & Federal Regulation

Enclosures

cc: See attached service lists