

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



September 15, 2011

Mr. David Danner, Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive, S.W.
P.O. Box 47250
Olympia, Washington 98504-7250

Re: Tariff WN U-28, Electric Service
Residential and Small Farm Energy Rate Adjustment Credit

Dear Mr. Danner:

Attached for filing with the Commission is one copy of the following tariff sheet proposed to be effective November 1, 2011:

Eleventh Revision Sheet 59 Canceling Tenth Revision Sheet 59

The proposed tariff sheet reflects a rate adjustment to pass through higher residential exchange program benefits than are reflected in the current rate credit. The higher residential exchange program benefits result from a Settlement Agreement with the Bonneville Power Administration (BPA), which was approved by BPA on July 26, 2011. The current 0.156¢ per kilowatt-hour rate credit was approved effective November 1, 2010. The proposed rate credit is 0.364¢ per kilowatt-hour.

The proposed rate credit of 0.364¢ per kilowatt-hour is designed to pass through the Washington portion of the level of Avista's benefits to be received under the Settlement Agreement as well as the under-refunded balance related to the existing rate credit. Enclosed is a set of workpapers that shows the derivation of the proposed 0.364¢ per kilowatt-hour rate credit proposed to be effective November 1, 2011. The proposed rate credit is 0.208¢ more than the existing rate credit. For a customer using 977 kilowatt-hours per month, implementing the new, higher rate credit would result in a monthly decrease of \$2.03, or 2.64%. The actual decrease will vary based on customer usage.

The proposed rate credit will have no effect on Avista's net income. The proposed rate credit would result in a decrease to Washington electric revenue of approximately \$5.2 million, since a greater amount of benefits will be passed through to customers.

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In addition to the proposed tariff and workpapers, also enclosed are the following items: 1) an affidavit, 2) a certificate of service, 3) a copy of the customer notice, and 4) a press release. Please direct any questions regarding this filing to Ron McKenzie at (509) 495-4320.

Sincerely,

A handwritten signature in cursive script that reads "Kelly Norwood".

Kelly Norwood
Vice President State and Federal Regulation

RM
Enclosures

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have served Avista Corporation's residential and small farm energy rate adjustment tariff filing, via overnight mail, to the following:

Sally Johnston
Senior Assistant Attorney General
PO Box 40128
1400 S. Evergreen Park Dr. SW
Olympia, WA 98504-0128

Mary Kimball
Office of the Attorney General
Public Counsel Section
800 Fifth Avenue, Suite 2000
Seattle, WA 98104-3188

Dated at Spokane, Washington this 15th day of September 2011.



Patty Olshess
Rates Coordinator

VERIFICATION

STATE OF WASHINGTON)
)
) :SS
County of Spokane)

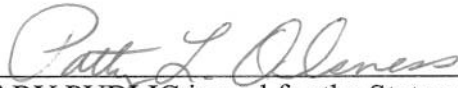
I, David J. Meyer, being first duly sworn on oath, deposes and says: That he is the Vice President and Chief Counsel of Regulatory and Governmental Affairs of Avista Corporation and makes this verification for and on behalf of said corporation, being thereto duly authorized;

That he has read the foregoing filing, knows the contents thereof, and believes the same to be true.



SIGNED AND SWORN to before me this 15th day of September 2011, by David J. Meyer.





NOTARY PUBLIC in and for the State of Washington, residing at Spokane.

Commission Expires: 2-22-14