

July 31, 2006

VIA ELECTRONIC MAIL & FIRST CLASS MAIL

Carole Washburn
Executive Secretary
Washington Utilities & Transportation Commission
1300 S. Evergreen Pk. Dr. S.W.
PO Box 47250
Olympia, WA 98504-7250

Re: In the Matter of the Application of Avista Corporation, d/b/a Avista Utilities for an Order Approving a Corporate Reorganization To Create a Holding Company, AVA Formation Corp., Docket No. UE-060273

Dear Ms. Washburn:

We have received Staff's pleading, dated today, addressing Public Counsel's renewed request for adjudication. This is Public Counsel's response to that pleading.

Public Counsel is gratified that Commission Staff has joined our request for adjudication of this matter and we look forward to the Commission setting the matter for a pre-hearing conference as soon as possible.

Based on Dr. Blackmon's Declaration, Staff has asked the Commission to disregard certain factual matters contained in Public Counsel's pleading. Public Counsel strenuously disagrees with the characterizations made by Commission Staff but will not respond since none of those matters are dispositive to the question of whether Avista should be granted the reorganization it is requesting.

Thank you for your attention to this matter.

Sincerely,

JUDITH KREBS
Assistant Attorney General
Public Counsel Section
(206) 464-6595

JK:cjw

cc: Don Trotter, (e-mail & first class mail)
S. Bradley Van Cleve, ICNU (e-mail & first class mail)
David Meyer, (e-mail & first class mail)