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August 10, 2009

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

RE: Docket No. UG-060518 (Decoupling Evaluation Report)

Dear Mr. Danner:

Enclosed for filing with the Commission is an original and eight copies of the **REVISED** "Evaluation of Avista Natural Gas Decoupling Mechanism Pilot". This Revised Evaluation Report replaces the report originally filed on March 30, 2009.

As noted in an email on August 5, 2009 to all parties in UG-060518, UE-090134 and UG-090135, while preparing Avista's Natural Gas Decoupling Rate Adjustment filing, the Company discovered that the 2008 Final Verified DSM Savings report that was shared with Titus and all parties had an error in the spreadsheet. Specifically, the summation of two columns was performed incorrectly (some savings were inadvertently double counted).

Titus has subsequently made changes to their report to reflect the revised DSM savings. As noted in their email to all parties on August 7, 2009, "(t)he summations in the 2008 DSM verification summary tables have been revised. While Titus correctly proportioned DSM savings across rate schedules, customer classes and DSM programs; Public Counsel correctly identified that the 2008 non-verified commercial/industrial DSM savings are used in lieu of the verified savings. These revisions alter the 2008 C/I Verified DSM Savings and Lost Margin Calculations, but do not materially impact the Mechanism."

The changes made by Titus affect the following tables in the Report:

- Executive Summary (Pages 2 through 5 – specifically Tables 1 through 4)
- Section C (Pages 10 through 34 – specifically Tables C1-A, C1-B, C1-C, C1-D, C2-A, C2-B, C3-A, C3-B and C10-A)
- Section E (Page 45, specifically Table E-2)
- Section H (Pages 53 through 64 – specifically Tables H3-E, H3-F, H3 and H4)
- Exhibit C-5

Because Titus made changes to various tables in their report, the pagination of the original document slightly changed in the modified sections noted above. Therefore, for ease, the Company is refiling the whole Evaluation Report in lieu of simply filing replacement pages.

Finally, when Avista originally filed the Evaluation Report, the Company included both a Redacted and Unredacted version. Since that date, the Company has determined that the confidential information that was included in the Unredacted report is no longer confidential. The REVISED report enclosed still has the references to confidentiality, however Avista, in an effort to not cause further pagination issues, simply has stricken through those confidential references. Note that the 2 exhibits that were filed as Confidential remain so.

If you have any questions regarding this filing, please contact Patrick Ehrbar at 509-495-8620.

Sincerely,

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

Kelly Norwood
Vice President, State & Federal Regulation

Enc.

cc: Service List