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August 10, 2009

Via Overnight Mail

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

Re: Docket No. UE-090134, UG-090135, and UG-060518

Enclosed for filing with the Commission are the original and 12 copies of the REVISED Exhibit No. ___ (BJH-2). On August 10, 2009, Avista filed with the Commission a REVISED "Evaluation of Avista Natural Gas Decoupling Mechanism Pilot", replacing the original Evaluation Report filed on March 30, 2009 in UG-060518. The original report was subsequently used as the original BJH-2 filed by the Company on April 30, 2009 in its Petition "For an Order Continuing a Natural Gas Decoupling Mechanism with Associated Accounting Entries".

As noted in the Company's Cover Letter which accompanied the Revised Evaluation Report:

"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”

Finally, also included are 3 copies of the revised “Exhibit C-5 Revised 8-7-09” which was included in the workpapers of Brian J. Hirschhorn. In addition, the file “C Revised 8-7-09.xls” is electronic in nature and is therefore being provided in electronic format only on the enclosed CD’s.

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

Sincerely,

A handwritten signature in black ink that reads "Kelly Norwood". The signature is written in a cursive, flowing style.

Kelly Norwood
Vice President, State and Federal Regulation
Avista Corporation

Enclosures

c: See attached service list