

[Service Date November 3, 2010]

November 3, 2010

NOTICE OF BENCH REQUEST
(Due by Monday, November 8, 2010, at 1:00 p.m.)

RE: *WUTC v. Avista Corporation – General Rate Cases*
Dockets UE-100467 and UG-100468 (*consolidated*)

TO: Avista Corporation:

Although this Bench Request is directed to Avista Corporation, other parties may file responses if they wish.

The Settlement Stipulation explains two Power Supply-Related Adjustments on page 5: one regarding “Natural Gas/Electric Prices” and another regarding “Short-Term Contracts”. In the Natural Gas/Electric Prices adjustment (subparagraph 5(b)(i)), the parties agree to reduce:

- the annual average natural gas price from \$6.38/dth to \$5.13/dth; and
- the average Mid C flat electric price from \$49.73/MWh to \$41.32/MWh.

In the Short-Term Contracts adjustment (subparagraph 5(b)(ii)), the parties agreed to include all 2011 wholesale electric and natural gas short-term transactions entered into through July 22, 2010. The Settlement Stipulation also sets the ERM Authorized Level of Expense on page 12 (paragraph 6) and refers to Appendix 2 as an illustration of the level of expenses and credits to be utilized for ERM calculations.

The following Bench Request is directed to Avista Corporation.

Bench Request No. 1: Please rerun the model(s) used to generate Appendix 2 with the following three changes updating:

- the annual average natural gas price based on the most recently available 3-month average of 2011 forward prices;
- the most current Mid C flat electric price; and
- the Short-Term Contracts entered into by the Company as of November 1, 2010.

Please provide an updated spreadsheet reflecting the results as an “Updated Appendix 2”.

Please also provide a separate document showing the ERM Authorized Level of Expense for December 2010, both as proposed by the Parties in their Settlement Stipulation and with any change caused by the above-noted updates to costs.

Sincerely,

ADAM E. TOREM
Administrative Law Judge

cc: All Parties