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Corp.

March 29, 2007

Sent via Overnight Mail

Ms. Carole J. Washburn, Executive Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive SW
P. O. Box 47250
Olympia, Washington 98504-7250

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STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

Re: Docket No. UE-07_____ Energy Recovery Mechanism (ERM)
Avista's Annual Filing to Review Deferrals (2006 Calendar Year)

Dear Ms. Washburn:

Enclosed for filing are an original and 12 copies of Avista Corporation's annual filing to review ERM deferrals for the 2006 calendar year. Also enclosed is a certificate of service. The filing consists of the direct testimony and exhibits of Richard L. Storro, William G. Johnson and Ronald L. McKenzie. Mr. Storro's testimony indicates the supporting documentation that is being provided. Due to the extensive amount of material being provided, the material is being provided in electronic format on two compact disks. One compact disk contains non-confidential material. The other compact disk contains confidential material, filed under seal, per Protective Order in Docket No. UE-011595 and WAC 480-07-160. Enclosed is an "Attorney's Claim of Confidentiality" document.

Please direct any questions related to this filing to Ron McKenzie at (509) 495-4320.

Sincerely,

Kelly Norwood
Vice President State and Federal Regulation

Enclosures
RM