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| **Avista Corp.**  1411 East Mission P.O. Box 3727  Spokane. Washington 99220-3727  Telephone 509-489-0500  Toll Free 800-727-9170 | _2ORDPRCSCorp_v_bPC |

September 13, 2013

Mr. Steven King, Executive Director and Secretary

Washington Utilities and Transportation Commission

1300 S. Evergreen Park Drive, S.W.

P.O. Box 47250

Olympia, Washington 98504-7250

Re: Tariff WN U-28, Electric Service

Residential and Small Farm Energy Rate Adjustment Credit

Dear Mr. King:

Attached for filing with the Commission is one copy of the following tariff sheet proposed to be effective November 1, 2013:

**Twelfth Revision Sheet 59 Canceling Substitute Eleventh Revision Sheet 59**

The proposed tariff sheet reflects a rate adjustment to reduce the level of Residential Exchange Program benefits the Company will receive from the Bonneville Power Administration. The Residential Exchange Program provides a share of the benefits of the federal Columbia River power system to the residential and small-farm customers of the six investor utilities of the Pacific Northwest including Avista.

Under current Residential Exchange rates, approximately $9.1 million annually is being passed through to applicable customers through a uniform 0.364¢ per kilowatt-hour rate credit. This rate was approved by the Washington Utilities and Transportation Commission effective November 1, 2011.

The proposed rate credit of 0.195¢ per kilowatt-hour is designed to pass through approximately $4.9 million in annual benefits which represents the Washington portion of the annual level of benefits Avista will receive starting in October 2013. It also includes the over-refunded balance related to the existing rate credit. The proposed rate credit would result in an increase to Washington electric revenue of approximately $4.2 million, since a smaller amount of benefits will be passed through to customers. The proposed rate credit will have no effect on Avista’s net income.

Enclosed is a set of workpapers that shows the derivation of the proposed 0.195¢ per kilowatt-hour rate credit proposed to be effective November 1, 2013. The average residential customer using 989 kWhs per month will see an increase of $1.67 per month, or approximately 2.1%. The present bill for 989 kWhs is $79.68 while the proposed bill is $81.35. The actual increase will vary based on customer usage.

In addition to the proposed tariff and workpapers, also enclosed are the following items: 1) an affidavit, 2) a certificate of service, 3) a copy of the customer notice, and 4) a press release. Please direct any questions regarding this filing to Ryan Finesilver at (509) 495-4873.

Sincerely,

David J. Meyer

Vice President and Chief Counsel for

Regulatory and Governmental Affairs

Enclosures