



Rob McKenna

ATTORNEY GENERAL OF WASHINGTON

800 Fifth Avenue #2000 • Seattle WA 98104-3188

November 15, 2007

VIA E-MAIL AND ABC/LMI

Carole Washburn
Executive Secretary
Washington Utilities & Transportation Commission
1300 S. Evergreen Pk. Dr. S.W.
PO Box 47250
Olympia, WA 98504-7250

Re: WUTC v Avista Corporation d/b/a Avista Utilities
Docket Nos. UE-070804, UG-070805

In the Matter of the Petition of Avista Corporation d/b/a Avista Utilities,
For an Accounting Order Regarding the Appropriate Treatment of the Net Costs
Associated with the Repurchase of Debt
Docket No. UE-070311

Dear Ms. Washburn:

The Public Counsel Section of the Washington State Attorney General's Office (Public Counsel) files this revised version of the Direct Testimony of William Marcus pursuant to WAC 480-07-460(1)(b). The revised testimony removes the confidential designation from Tables 13 and 14, concerning Avista's recent executive compensation levels, and provides unredacted public versions of the tables.¹ Some confidential material remains elsewhere in the testimony.

In its initial filing on April 26, 2007, Avista attributed a portion of its proposed rate increase to increased recovery for executive compensation.² Mr. Marcus, Public Counsel's expert witness on this issue, requested specific data from the Avista necessary for an analysis of its proposal.³ Avista provided the requested information, but designated much of it confidential. Mr. Marcus incorporated portions of this information in Table 13 ("Trends in Executive Worker Compensation at Avista 2000-2006"), and Table 14 ("Executive Compensation Disallowance"),

¹ See Revised Direct Testimony of William B. Marcus, Exhibit No. ____ (KSF-1TC), pp. 53 and 56.

² Direct Testimony of Karen S. Feltes, Exhibit No. ____ (KSF-1TC).

³ Public Counsel Data Request No. 125.

ATTORNEY GENERAL OF WASHINGTON

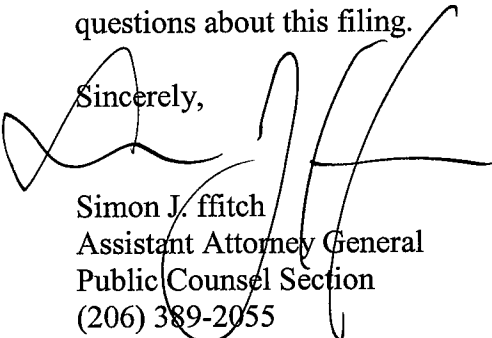
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and designated both tables confidential. It is these designations that are removed in the current, revised testimony.

Public Counsel believes that this information is not entitled to confidential status under the Protective Order or RCW 80.04.095. Accordingly, on October 31, Public Counsel contacted Avista by letter and requested that the Company agree to remove the confidential designation from this data. On November 6, Avista agreed to withdraw its confidential designation of the information in Mr. Marcus's Tables 13 and 14 (see attached letter).

Please feel free to contact Sarah Shifley of our office at (206) 464-6595, if you have any questions about this filing.

Sincerely,



Simon J. Fitch
Assistant Attorney General
Public Counsel Section
(206) 389-2055

Sarah A. Shifley
Assistant Attorney General

SJf:cjw
Enclosures

cc: Service List (U.S. Mail & E-mail)

Avista Corp.
1411 East Mission MSC-13
PO Box 3727
Spokane, Washington 99220-3727
Telephone 509-495-4316



David J. Meyer
Vice President and Chief Counsel for
Regulatory and Governmental Affairs

November 6, 2007

Sarah Shifley
Office of the Attorney General
Public Counsel
800 Fifth Avenue #200
Seattle, WA 98104-3188

Re: WUTC v Avista Corporation d/b/a/ Avista Utilities
Docket Nos. UE-070804, UG-070805

In the Matter of the Petition of Avista Corporation d/b/a/ Avista Utilities,
For an Accounting Order Regarding the Appropriate Treatment of the Net
Costs Associated with the Repurchase of Debt, Docket No. UE-070311

Dear Ms. Shifley:

By letter dated October 31, 2007, you requested that certain information no longer be treated as confidential. Avista is willing to withdraw the confidential designation of the information set forth in Tables 13C and 14C of the Direct Testimony of William Marcus. (See pp. 53 and 56.)

Sincerely,

A handwritten signature in black ink, appearing to read "DJM", followed by a horizontal line.

David J. Meyer