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OFFICE OF THE
SECRETARY
WASHINGTON
UTILITY
COMMISSION

April 30, 2009

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

Re: 2008 Essential Utilities Services Contracts Annual Report

Dear Mr. Danner:

Pursuant to WAC 480-100-268 and WAC 480-90-268, enclosed is Avista's 2008 Essential Utilities Services Contracts Annual Report. Pursuant to WAC 480-07-160, the Company requests that this filing be treated as "confidential" material. The Company has identified and marked the report as confidential and printed it on yellow paper under seal in a separate envelope marked "confidential." The proprietary information relates to prices contained in the specified contracts that if not accorded confidential treatment would adversely affect the Company, customers and vendors. Also attached is the redacted version of the report.

Please direct any questions on this matter to me at (509) 495-4975.

Sincerely,

Linda Gervais
by Pathy Olenow

Linda Gervais
Manager, Regulatory Policy
State and Federal Regulation
Avista Utilities
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**AVISTA UTILITIES
2008 Essential Utilities Services Contracts Annual Report**

ESSENTIAL SERVICES VENDOR (1)	PAYMENTS	BUDGET	TYPE OF CONTRACT	ESSENTIAL OBLIGATIONS	TERM
Bonneville Power Administration	REDACTED	REDACTED	Long-term power purchase	WNP-3 long-term power purchase	1986 - 2019
	REDACTED	(2)	Short-term power purchases	WSPP Schedule C short-term purchases	N/A
	REDACTED	REDACTED	Long-term transmission	Includes long-term transmission purchases from BPA for Colstrip, Coyote Springs 2 and WNP-3	various
	REDACTED	(2)	Short-term transmission	Short-term BPA nonfirm transmission purchases	N/A
Grant County PUD No. 2	REDACTED	REDACTED	Long-term power purchase	Long-term purchases from Priest Rapids and Wanapum Development and Displacement Product	11/1/2005 -2052
	REDACTED	(2)	Short-term power purchases	WSPP Schedule C short-term purchases	N/A
	REDACTED	REDACTED	Long-term transmission	Sand Dunes - Warden/Summer Falls transmission purchase	Ended 10/31/2007
Morgan Stanley	REDACTED	REDACTED	Long-term power purchase	WSPP Schedule C long-term purchases	1/1/2007 - 12/31/2010
	REDACTED	(2)	Short-term power purchases	WSPP Schedule C short-term purchases	N/A
PPL Montana	REDACTED	(2)	Short-term power purchases	WSPP Schedule C short-term purchases	N/A
	REDACTED	REDACTED	Long-term power purchase	Long-term purchase from PURPA qualifying facility	7/1/03 - 6/30/2013
Potlatch	REDACTED	REDACTED	Long-term coal purchase	Long-term coal supply for Colstrip and Royalty Settlement	Ends 12/31/2019
Western Energy Company	REDACTED	REDACTED	Long-term coal purchase	Long-term coal supply for Colstrip and Royalty Settlement	Ends 12/31/2019

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Puget Sound Energy	REDACTED	(2)	Short-term power purchases	WSPSP Schedule C short-term purchases	N/A
	REDACTED	(2)	Short-term transmission	Black Creek Transmission and short-term nonfirm transmission purchases	N/A
	REDACTED	(2)	Gas Industry Standards Board (GISB) Gas Supply Agreement	The GISB Master Agreement allows counter parties the ability to enter into numerous transactions under a confirmation process. Each transaction terminates upon completion of delivery.	02/17/2005-Variou Lengths
	REDACTED	REDACTED	Gas Storage Project - Capital Additions	Contract/services provided for engineering and construction	1989 - Current
BP Canada Energy Company	REDACTED	(2)	North American Energy Standards Board (NAESB) Agreement	The NAESB Master Agreement enables short and long-term gas supply purchases (for LDC and Thermal) to be made under a confirmation process. Each transaction terminates upon completion of delivery.	03/01/2003-Variou Lengths
ConocoPhillips Canada Limited	REDACTED	(2)	North American Energy Standards Board (NAESB) Agreement	The NAESB Master Agreement enables short and long-term gas supply purchases (for LDC and Thermal) to be made under a confirmation process. Each transaction terminates upon completion of delivery.	04/01/2005-Variou Lengths
Enserco Energy Inc.	REDACTED	(2)	North American Energy Standards Board (NAESB) Agreement	The NAESB Master Agreement enables short and long-term gas supply purchases (for LDC and Thermal) to be made under a confirmation process. Each transaction terminates upon completion of delivery.	06/04/2004-Variou Lengths
Macquarie Cook Energy Canada Limited	REDACTED	(2)	North American Energy Standards Board (NAESB) Agreement	The NAESB Master Agreement enables short and long-term gas supply purchases (for LDC and Thermal) to be made under a confirmation process. Each transaction terminates upon completion of delivery.	08/01/2007-Variou Lengths

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Natural Gas Exchange, Inc.	REDACTED	(2)	Long-term Natural Gas Purchase Agreement	The Master Agreement enables short and long-term gas supply purchases (for LDC and Thermal) to be made under a confirmation process. Each transaction terminates upon completion of delivery.	06/21/2004-Variou Lengths
Sempra Energy Trading Corp.	REDACTED	(2)	North American Energy Standards Board (NAESB) Agreement	The NAESB Master Agreement enables short and long-term gas supply purchases (for LDC and Thermal) to be made under a confirmation process. Each transaction terminates upon completion of delivery.	07/01/2004-Variou Lengths
TD Commodity & Energy Trading Inc.	REDACTED	(2)	North American Energy Standards Board (NAESB) Agreement	The NAESB Master Agreement enables short and long-term gas supply purchases (for LDC and Thermal) to be made under a confirmation process. Each transaction terminates upon completion of delivery.	01/01/2006 - Variou Lengths
TransCanada - GTN System	REDACTED	REDACTED	Long Term Transportation Contract	GTN provides firm transportation capacity to Avista on the gas pipeline under long term contracts. Avista pays fixed monthly reservation charges for the right, but not the obligation, to transport specified quantities of gas from receipt points to delivery points on the pipeline each day.	Predating 1989 - various termination dates through 2028
	REDACTED	REDACTED	Facilities Interconnection Agreement	Contract/services provided for engineering and construction.	02/22/08-10/31/08

Notes:

- (1) Parties to the contract are the Vendor and Avista.
- (2) Avista does not budget electric short-term purchases or gas purchases at the vendor level.