



April 27, 2010

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

2010 APR 28 AM 9:42
STATE OF WASHINGTON
UTILITY AND TRANSPORTATION COMMISSION

Re: 2009 Essential Utilities Services Contracts Annual Report

Dear Mr. Danner:

Pursuant to WAC 480-100-268 and WAC 480-90-268, enclosed for filing is an original and two copies of Avista's 2009 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,

A handwritten signature in cursive script that reads 'Linda Gervais'.

Linda Gervais
Manager, Regulatory Policy
State and Federal Regulation
Avista Utilities
linda.gervais@avistacorp.com

**AVISTA UTILITIES
2009 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 |
| Barclays Bank | 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 | Short-term power purchases | WSPP Schedule C short-term purchases | N/A |
| | REDACTED | (2) | Long-term power purchase | Long-term purchases from Priest Rapids and Wanapum Development and Displacement Product | 11/1/2005 - 2052 |
| Morgan Stanley | REDACTED | REDACTED | 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 |
| PPL Montana | 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 |
| Pottlatch | REDACTED | REDACTED | 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 |
| BP Canada Energy Company | REDACTED | REDACTED | 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 |

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| ESSENTIAL SERVICES VENDOR (1) | PAYMENTS | BUDGET | TYPE OF CONTRACT | ESSENTIAL OBLIGATIONS | TERM |
|--------------------------------------|-----------------|---------------|---|---|---|
| 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 |
| 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 |
| 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. | Preceding 1989 - various termination dates through 2028 |

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.