



April 28, 2011

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

RECEIVED
RECORDS MANAGEMENT
2011 APR 29 AM 9:28
STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

Re: 2010 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 2010 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.

If you have any questions regarding this filing, please feel free to contact 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
509-495-4975
linda.gervais@avistacorp.com

AVISTA UTILITIES
2010 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, deviation energy and reserves	N/A
	REDACTED	REDACTED	Long-term transmission	Includes long-term transmission purchases from BPA for Colstrip, Coyote Springs 2, WNP-3 and Lancaster	various
	REDACTED	(2)	Short-term transmission	Short-term BPA nonfirm transmission purchases	N/A
	REDACTED	REDACTED	Capital construction projects	Contract/services provided for engineering and construction	N/A
Shell/Coral	REDACTED	(2)	Short-term power purchases	WSPP Schedule C short-term purchases	N/A
Avista Turbine Power, Inc.	REDACTED	REDACTED	Long-term power purchase agreement	Long-term power purchase agreement for the Lancaster combustion turbine	11/1/2005 -2052
BP Energy/BP Corp NA Financial	REDACTED	(2)	Short-term power purchases	WSPP Schedule C short-term purchases	N/A
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
Clearwater Paper	REDACTED	REDACTED	Long-term power purchase	Long-term purchase from PURPA qualifying facility	7/1/03 - 6/30/2013
Powerex Corp.	REDACTED	(2)	Short-term power purchases	WSPP Schedule C short-term purchases	N/A
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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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
IGI Resources, 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.	02/01/2005-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
Powerex Corp.	REDACTED	(2)	ISDA Master Agreement	The ISDA Master Agreement enables short and long-term financial derivative transactions based upon an underlying commodity price (electric or natural gas). Short and long-term physical electric and physical natural gas transactions can also be enabled under the ISDA if the ISDA contains the applicable physical commodity annexes to the Master Agreement.	08/18/2010-Variou Lengths

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ESSENTIAL SERVICES VENDOR (1)	PAYMENTS	BUDGET	TYPE OF CONTRACT	ESSENTIAL OBLIGATIONS	TERM
Northwest Pipeline Corp.	REDACTED	REDACTED	Long Term Transportation Contract	NWP 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 2042
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	Capital construction projects	Contract/services provided for engineering and construction	N/A

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.