

Avista Corp.
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May 30, 2007

Ms. Carole J. Washburn, Executive Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive, S.W.
P.O. Box 47250
Olympia, Washington 98504-7250

Re: Docket No. UE-071014

Dear Ms. Washburn:

Attached for filing with the Commission is one copy of the following tariff sheet:

Substitute Sixth Revision Sheet 59 Canceling Fifth Revision Sheet 59

The filing made by the Company in Docket No. UE-071014 on May 23, 2007 requested elimination of the residential and small farm energy rate adjustment credit and proposed a charge of 0.146¢ per kilowatt-hour rate to recover the over-refunded exchange credit balance over a twelve-month period. Substitute Sixth Revision Sheet 59, filed herewith, just eliminates the credit with the resulting rate being zero. The Company will file a separate Application to address deferred accounting of the over-refunded balance.

The existing rate credit is a uniform cents per kilowatt-hour decrease of 0.523¢ and applies to residential and small farm customers served under Schedules 1, 12, 22, 32, and 48. For a residential customer using 1,000 kilowatt-hours per month, eliminating the credit would result in an increase of \$5.23 per month. Residential customers' bills will be about 8.84% higher than they were with the existing rate credit. The actual increase will vary based on customer usage.

The proposed rate change will have no effect on Avista's net income. The proposed rate change will result in an annual increase in Washington electric revenue of approximately \$12.8 million. Attached is a certificate of service. Please direct any questions regarding this filing to Ron McKenzie at (509) 495-4320.

Sincerely,

A handwritten signature in cursive script that reads "Kelly Norwood".

Kelly Norwood
Vice President State and Federal Regulation

RM
Attachments

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have served Avista Corporation's residential and small farm energy rate adjustment tariff filing, Docket UE-071014, by mailing a copy thereof, postage prepaid, to the following:

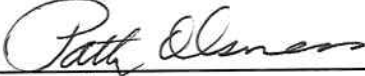
Ms. Carole J. Washburn, Executive Secretary
Washington Utilities & Transportation Commission
1300 S. Evergreen Park Drive SW
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Dated at Spokane, Washington this 30th day of May 2007.



Patty Olsness
Rates Coordinator