

**Avista Corp.**

1411 East Mission PO Box 3727  
Spokane, Washington 99220-3727  
Telephone 509-489-0500  
Toll Free 800-727-9170



October 19, 2006

*Via Overnight Mail*

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

**RE: Docket U-060273**

Enclosed for filing with the Commission are the original and 7 copies of Avista Corporation's direct testimony and exhibits in Docket U-060273, regarding the Company's request for an Order Approving a Corporate Reorganization To Create a Holding Company, AVA Formation Corp..

If you have any questions regarding this filing, please contact myself at 509-495-4316 or Liz Andrews at 509-495-8601.

Sincerely,

A handwritten signature in black ink, appearing to read "David J. Meyer", with a horizontal line extending to the right.

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

Enclosures

c: See attached service list

**CERTIFICATE OF SERVICE**

**I HEREBY CERTIFY** that I have served Avista Corporation's Direct Testimony and Exhibits in Docket U-060273, 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  
P.O. Box 47250  
Olympia, WA 98504-7250

Judith Krebs  
Office of the Attorney General  
Public Counsel Section  
800 Fifth Avenue, Suite 2000  
Seattle, WA 98104-3188

S Bradley Van Cleve  
Irion Sanger  
Matthew W. Perkins  
Davison Van Cleve, PC  
333 S.W. Taylor, Ste. 400  
Portland, OR 97204

Donald T. Trotter  
Assistant Attorney General  
1400 S. Evergreen Park Dr. SW  
Olympia, WA 98504-0128

Edward A. Finklea  
Chad M. Stokes  
Northwest Industrial Gas Users  
Cable Huston Benedict  
Haagensen & Lloyd LLP  
1001 SW 5th Avenue, Suite 2000  
Portland, OR 97204-1136

Dated at Spokane, Washington this 19th day of October 2006.



---

Patty Olsness  
Rates Coordinator