

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND)	
TRANSPORTATION COMMISSION,)	DOCKET NOS. UE-991606 AND
)	UG-991607
Complainant,)	
)	
v.)	
)	
AVISTA CORPORATION,)	
)	STIPULATION
Respondent.)	
_____)	

In this proceeding, Avista Corp. (Avista or Company) proposed the use of the 1929-1988 60-year historical streamflow record in normalizing hydroelectric generation for ratemaking purposes. The Commission Staff (Staff) recommended the continued use of the rolling 40-year average methodology, which would include the 1949-1988 40-year period. In order to resolve the differences between the Staff and the Company in this proceeding, the Staff and the Company hereby stipulate as follows:

1. For purposes of this proceeding only, Staff and Avista stipulate to the continued use of the rolling 40-year average methodology for the purpose of normalizing hydroelectric generation for ratemaking purposes, as previously adopted by the Commission in its Third Supplemental Order, dated April 4, 1986, in Cause No. U-85-36.

2. Staff and Avista stipulate, for purposes of this proceeding only, that Staff's adjustment reducing power supply expenses by \$5,900,000 on a system basis related to this streamflow record issue, as identified on Page 9, Line 20 of Exhibit T-540, shall be revised to reflect an expense reduction of \$2,950,000 on a system basis. The Washington jurisdictional share of these figures are \$3,952,000 and \$1,976,000, respectively. The total power supply adjustment ultimately adopted by the Commission in this proceeding shall incorporate the above-referenced revision.

WUTC

DOCKET NO. UE-991606

EXHIBIT # 740

ADMIT

W/D

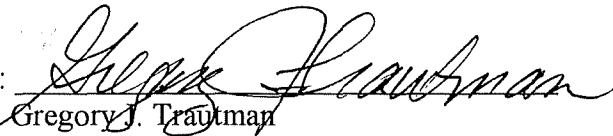
REJECT

3. In any future proceeding, if the Company chooses to propose any modification to the continued use of the 40-year rolling average methodology, the Company agrees to provide in its direct filing full documentation supporting its proposed change in methodology.

Staff and the Company agree to jointly submit, through Counsel, this Stipulation to the Commission at hearings on July 13, 2000, and to jointly request that the Commission determine whether it will accept this Stipulation as expeditiously as possible.

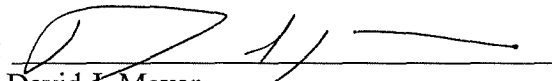
DATED this 13th day of July 2000

By:



Gregory J. Trautman
Assistant Attorney General

By:



David J. Meyer
Senior Vice President and General Counsel
Avista Corp.