

May 1, 2006

VIA ELECTRONIC MAIL & FIRST CLASS MAIL

Ms. Carole Washburn
Executive Secretary
Washington Utilities & Transportation Commission
1300 S. Evergreen Pk. Dr. S.W.
PO Box 47250
Olympia, WA 98504-7250

Re: In the Matter of the Application of Avista Corporation, d/b/a Avista Utilities For an Order Approving a Corporate Reorganization To Create a Holding Company, AVA Formation Corp.
Docket No. UE-060273

In the Matter of the Petition of Avista Corporation, d/b/a Avista Utilities For an Order Authorizing Implementation of Natural Gas Decoupling Mechanism And To Record Accounting Entries Associated With the Mechanism
Docket No. UG-060518

Dear Ms. Washburn:

Public Counsel respectfully requests that the above captioned matters be set for hearing.

With regard to Avista's application for reorganization, it appears that Avista is seeking to be the first public service company regulated by the Washington Utilities and Transportation Commission (Commission) after the repeal of PUHCA to reorganize without a transfer of authority. If this is indeed an issue of first impression for the Commission it is worthy of careful consideration. Additionally, setting the matter over for hearing will allow for sufficient public notice for interested parties to seek intervention and allow for formal discovery.

Similarly, with regard to the Avista decoupling proposal, we believe that broad notice and formal discovery necessitate setting a hearing.

To: Carole Washburn
Re: Docket Nos. UE-060273 and UG-060518
Dated: May 1, 2006
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Thank you for your consideration of these matters.

Sincerely,

Judith Krebs
Assistant Attorney General
Public Counsel Section
(206) 464-6595

JK:cjw

cc: Sally Johnston (e-mail & first-class mail)
Glenn Blackmon (e-mail & first-class mail)