Avista Corp.
1411 East Mission P.O. Box 3727
Spokane. Washington 99220-0500
Telephone 509-489-0500
Toll Free 800-727-9170



March 30, 2012

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

Attention: Mr. David Danner, Executive Director and Secretary

TARIFF WN U-28, ELECTRIC SERVICE, and TARIFF WN U-29, NATURAL GAS SERVICE

Avista Corporation ("the Company") hereby submits the attached filing seeking Commission authorization to increase its rates and charges for its electric and natural gas services to its electric and natural gas customers in the state of Washington. In this filing the Company requests an overall increase in billed rates of 8.8% (9.0% in base rates) or \$41.0 million for electric service. As a part of its filing, the Company is proposing an Energy Recovery Mechanism Rebate ("ERM Rebate") of 2.9%. The net effect of the general rate increase coupled with the ERM Rebate is an overall increase in billed rates of 5.9%.

In addition, the Company requests an overall increase of 6.8% in billed rates (7.0% in base rates) or \$10.1 million for natural gas service. The Company is requesting that the proposed rates be implemented at the end of the general rate case proceedings.

Additionally, Avista Corporation requests that the Commission **immediately suspend the operation of the general tariff revisions** included in this filing, and promptly set the matter for hearing, including the establishment of a prehearing conference, at the earliest possible date in accordance with WAC 480-07-440(1)(a).

Service of documents pertaining to this filing should be to the following Avista Corporation representatives:

David J. Meyer, Esq.
VP and Chief Counsel for
Regulatory and Governmental Affairs
Avista Corporation
PO Box 3727
1411 E. Mission Ave, MSC-13
Spokane, WA 99220-3727
david.meyer@avistacorp.com
(509) 495-4316
(509) 495-8851 (FAX)

Kelly O. Norwood VP, State & Federal Regulation Avista Corporation PO Box 3727 1411 E. Mission Ave, MSC-13 Spokane, WA 99220-3727 kelly.norwood@avistacorp.com (509) 495-4267 (509) 495-8851 (FAX) Enclosed with this filing are an original and two copies of the following proposed tariff sheets formatted with the coding required by WAC 480-80-105, and three copies in legislative format as required by WAC 480-07-510:

1
•
0

In support of this filing, the Company has enclosed 19 copies of its prepared direct testimony and exhibits, as well as 3 copies of workpapers showing how test year data were adjusted. (An electronic copy of the workpapers was also provided to the Commission's Accounting Advisor) A summary document pertaining to the filing is provided as well as the financial reports and other documents required under WAC 480-07-510. An electronic version of this filing and all supporting documents is enclosed as well. The Office of Public Counsel has also been served with a copy of all such documents at the time of filing with the Commission.

Please note that certain sections of the exhibits of Mark T. Thies, Karen S. Feltes, Robert L. Lafferty, Clint G. Kalich, and Scott J. Kinney, along with certain workpapers of Robert L. Lafferty, Scott J. Kinney, William G. Johnson, and Clint G. Kalich have CONFIDENTIAL information. The workpapers of Clint G. Kalich and Robert L. Lafferty are only being provided electronically on CD due to their voluminous and electronic nature. Additionally, as required by WAC 480-07-160(3)(a), the Company is also submitting an Attorney's Claim of Confidentiality regarding the submission of the unredacted versions of the above-referenced CONFIDENTIAL exhibits and workpapers. These workpapers should be treated as CONFIDENTIAL per WAC 480-07-160 and RCW 80-04-095.

In compliance with WAC 480-90-197 and WAC 480-100-197 the Company will provide public notice once the public hearing dates have been selected. In compliance with WAC 480-90-

193(1) and WAC 480-100-193(1), the Company will post the proposed changes to its tariffs for public inspection and review on its website, and will provide access via request by telephone or mail. A service list is attached, with the parties on the service list receiving a complete copy of the pre-filed testimony and exhibits.

In compliance with WAC 480-07-510(3)(i) the Company states that there are no additional material affiliated transactions to report that otherwise were not already reported in the Company's annual Report of Affiliated Interest Transactions for the test year. The Company's annual report was filed on April 29, 2011. (See Dockets UE-110771 and UG-110772)

Please note that the Company has simultaneously filed "Avista Corporation's Motion for a Protective Order Pursuant to RCW 34-05-445 & WAC 480-07-423".

Additional copies of this filing, supporting testimony and exhibits are available from the Company upon request. Questions regarding this filing should be directed to Liz Andrews at (509) 495-8601.

Sincerely,

Kelly Norwood

VP, State & Federal Regulation

Enclosures

cc: See attached service lists