

October 9, 2012

**NOTICE TO COMPLY WITH APPEARANCE OF FAIRNESS
OBLIGATIONS**

RE: *Washington Utilities and Transportation Commission v. Avista Corporation, d/b/a Avista Utilities*, Dockets UE-120436 and UG-120437, and Dockets UE-110876 and UG-110877 (Second Phase) (*Consolidated*)

On April 2, 2012, Avista Corporation d/b/a Avista Utilities (Avista) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff WN U-28, Electric Service in Docket UE-120436 and revisions to its currently effective Tariff WN U-29, Gas Service in Docket UG-120437 designed to provide a general rate increase for electric and gas service. Avista requests an electric rate increase of \$41.0 million, or 9.0 percent, and a gas rate increase of \$10.1 million or 7.0 percent. In addition, Avista filed tariff Schedule 93, which reflects a proposed one-year Energy Recovery Mechanism bill decrease, or rebate, to electric customers of \$13.6 million (about 2.9 percent). On May 14, 2012, the Commission entered Order 03/08, Prehearing Conference Order and Order Granting Request for Limited Consolidation of Dockets, consolidating Dockets UE-120436 and UG-120437 with the second phase of Dockets UE-110876 and UG-110877 involving decoupling issues.¹

Recently, Avista senior executives Scott Morris and Jim Kensok invited Commissioner Philip B. Jones to a meeting to update him on potential and imminent cyber security threats to the United States electric grid since Commissioner Jones intends to dedicate his presidency of the National Association of Regulatory Utility Commissioners to issues of cyber security and critical infrastructure protection. The meeting is scheduled to take place next Tuesday morning, October 16, 2012, at the Avista offices in Spokane, Washington. Commissioner Jones will be accompanied by

¹ The dual order number is the result of consolidation.

Rebecca Beaton, Infrastructure Analyst of the Commission's Regulatory Services staff, who is also serving on the cyber security team of the Commission.

The briefing during this meeting will focus solely on cyber security issues and will not touch on any issue directly or indirectly related to the above-referenced general rate case. Consistent with the Commission's appearance of fairness obligations, this Notice is intended to inform the parties of the meeting.

MARGUERITE E. FRIEDLANDER
Administrative Law Judge

cc: All Parties