

Avista Corp.
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September 2, 2008

Advice No. 08-07-G

Public Utility Commission of Oregon
Attn: Filing Center
550 Capitol Street, NE
Salem, OR 97310-1380

Attached for electronic filing with the Commission is a replacement Page 5 of the cover letter dated August 29, 2008 in Advice No. 08-07-G. In the second sentence under "Other Information", "The proposed monthly bill *decrease* ..." has been corrected to "The proposed monthly bill *increase*..." The company apologizes for any inconvenience associated with this filing/revision.

Please direct any questions regarding this matter to Patty Olsness at (509) 495-4067.

Sincerely,

A handwritten signature in black ink that reads "Kelly O. Norwood". The signature is written in a cursive, flowing style.

Kelly O. Norwood, Vice President
State and Federal Regulation

Enc.

The difference in the total amortization rate decrease for Schedules 410 and 420 (residential and commercial customers), as compared to Schedules 424 and 444, is caused by a reduction (2.9 cents/therm) in the "Margin Reduction" amortization rate set forth on Schedule 496. Schedule 496 was approved by the Commission as part of the company's 2007 PGA filing to amortize the deferred revenue resulting from rate decreases to Interruptible Sales Schedule 440 and Transportation Service Schedule 456 in Docket UG-153. The Company continued to defer revenue resulting from the margin reduction for these Schedules until April 1, 2008, at which time new general rates became effective resulting from UG-181. The proposed rate under Schedule 496 is estimated to recover the remaining balance of \$471,000 during the forthcoming PGA year.

Other Information

Approval of this filing reflects in an overall annual revenue increase of \$2,730,000, or 2.0% to the Company. The proposed monthly bill increase for residential customers served under Schedule 410 is \$1.41, or an increase of 1.76%, based on average monthly usage of 53 therms. The average monthly bill under present rates is \$80.07 under present rates, and \$81.47 under proposed rates.

Unrelated to this filing, the company will also revise its rates November 1 to reflect "phase 2" of the UG-181 settlement agreement. Below is a table showing the combined effect of the proposed PGA and general rate change by Schedule.

| <u>Schedule</u> | <u>Proposed PGA</u> | <u>General (UG-181)</u> | <u>Total</u> |
|----------------------|---------------------|-------------------------|--------------|
| Residential 410 | 1.8% | 1.3% | 3.1% |
| General Svc. 420 | 1.9% | 1.3% | 3.2% |
| Lg. General Svc. 424 | 4.4% | (1.4%) | 3.0% |
| Interruptible 440 | 7.3% | (0.9%) | 6.2% |
| Seasonal 424 | 4.5% | (1.3%) | 3.2% |
| Transportation 456 | 0.0% | 2.0% | 2.0% |
| Overall | 2.0% | 1.1% | 3.1% |

Please direct any questions regarding this filing to Brian Hirschorn at (509) 495-4723 or Theresa Melvin at (509) 495-8165.

Sincerely,



Kelly O. Norwood, Vice President
State and Federal Regulation

Enc.

CERTIFICATE OF SERVICE

I **HEREBY CERTIFY** that I have this day served Avista Utilities', a division of Avista Corp, replacement Page 5 of the cover letter dated August 29, 2008, in Advice No. 08-07-G, upon the parties listed below by mailing a copy thereof, postage prepaid and by electronic mail or CD.

Chad M. Stokes
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I declare under penalty of perjury that the foregoing is true and correct.

Dated at Spokane, Washington this 2nd day of September, 2008.



Patty Olsness
Rates Coordinator