

Avista Corp.
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Toll Free 800-727-9170



September 30, 2009

Advice No. 09-07-G

Public Utility Commission of Oregon
Attn: Filing Center
550 Capitol St NE #215
PO Box 2148
Salem, OR 97308-2148

Re: Avista Utilities, UG 171(1) and Settlement in UG 186
Substitute Tariff Filing - SB 408 Refund / Withdrawal of Claim of Confiscatory Rates
Contingent Upon Approval of Settlement in UG 186

Avista hereby files the following tariff with an effective date of November 1, 2009:
Substitute Second Revision Sheet 408 Canceling First Revision Sheet 408
The tariff is designed to pass through a \$2.4 million Senate Bill 408 refund related to
Avista's 2007 Tax Report over a two-month period, November and December of 2009.

A Settlement was reached in the Company's general rate case filing, UG 186. The
Settlement, if approved, would result in a general rate increase of approximately \$8.8
million, effective November 1, 2009. The Settlement also resolves the Senate Bill 408
refund related to the 2007 tax report by requiring a two-month refund of \$2.4 million
effective November 1, 2009, contingent upon approval of the Settlement. Under the
Settlement, Avista is to withdraw its claim that a refund would result in confiscatory
rates, also contingent upon approval of the Settlement.

Avista hereby withdraws its claim that a refund would result in confiscatory rates in UG
171(1), contingent upon approval of the Settlement in UG 186.

Enclosed is a worksheet showing how the rates were calculated. The rate adjustment was
allocated to rate schedules on an equal percent of margin basis as each rate schedule
would have otherwise received the refund if the refund were to take place over a 12-
month period, consistent with the agreement in the Settlement Stipulation in Docket UG
186. An average residential customer using 72 therms in November, and 97 therms in
December would experience refunds of approximately \$8.26 for November, and \$11.13
for December.

A copy of this filing has been served on all parties to these proceedings as indicated in
the attached certificate of service. If you have any questions, please contact Ron
McKenzie at (509) 495-4320 or Brian Hirschorn at (509) 495-4723.

Sincerely,

A handwritten signature in cursive script that reads "Kelly Norwood".

Kelly Norwood
Vice President, State and Federal Regulation
Enclosures

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served Avista Utilities' (UG-171) Substitute Tariff Filing SB408, Advice No. 09-07-G, upon the parties listed below by electronic mail or by mailing a copy thereof, where paper service has not been waived.

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Dated at Spokane, Washington this 30th day of September 2009.



Patty Olsness, Rates Coordinator

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 408

INCOME TAX ADJUSTMENT - OREGON

PURPOSE:

The purpose of this schedule is to recognize in rates differences between the amount of income taxes paid to units of government and the amount of income taxes collected through rates.

This schedule implements an automatic adjustment clause required by Senate Bill 408 (2005) under rules established by the Public Utility Commission of Oregon in Docket No. AR 499.

APPLICABLE:

Adjustments under this schedule are applicable to all bills calculated under all schedules of this Tariff.

RATE ADJUSTMENT:

The Company will maintain accounts of the amounts to be recovered or returned under this schedule. Adjustment Rates shall be calculated according to the rules established by the Public Utility Commission of Oregon. The current adjustment rate for each schedule is:

Schedule 410	-\$0.11479 per therm	(R)
Schedule 420	-\$0.07359 per therm	(R)
Schedule 424	-\$0.04483 per therm	(R)
Schedule 440	-\$0.04481 per therm	(R)
Schedule 444	-\$0.00000 per therm	
Schedule 456	-\$0.04168 per therm	(R)

The rates listed above are in effect for the period November 1, 2009 through December 31, 2009, and expire on that date.

Advice No. 09-07-G
Issued September 30, 2009

Effective For Service On November 1, 2009
Through December 31, 2009

Issued by Avista Utilities

By

Kelly Norwood

Kelly Norwood, V.P., State & Federal Regulation

Avista Utilities
Oregon - Gas
SB 408 - Proposed Rate Adjustment by Rate Schedule

Line No.	OREGON TOTAL	Residential Service SCH 410	General Service SCH 420	Large General Service SCH 424	Interruptible Service SCH 440	Seasonal Service SCH 444	Special Contract Service SCH 447	Transportation Service SCH 456
1	\$ 123,321,253	\$ 74,355,807	\$ 36,342,651	\$ 4,876,152	\$ 5,143,278	\$ 217,070	\$ 403,670	\$ 1,982,625
2	\$ 92,135,936	\$ 53,594,273	\$ 29,320,596	\$ 4,387,388	\$ 4,635,274	\$ 198,407	\$ -	\$ -
3	\$ 31,185,317	\$ 20,761,534	\$ 7,022,055	\$ 488,766	\$ 508,004	\$ 18,663	\$ 403,670	\$ 1,982,625
4	100.00%	67.45%	22.81%	1.59%	1.65%	0.06%		6.44%
5	\$ (2,400,000)							
6	\$ (2,400,000)	\$ (1,618,746)	\$ (547,499)	\$ (38,108)	\$ (39,608)	\$ (1,455)	\$ -	\$ (154,582)
7		-7.80%	-7.80%	-7.80%	-7.80%	-7.80%		-7.80%
8		-2.18%	-1.51%	-0.78%	-0.77%			-7.80%
9	\$ 120,921,253	\$ 72,737,061	\$ 35,795,152	\$ 4,838,044	\$ 5,103,670	\$ 215,615	\$ 403,670	\$ 1,828,043
10	27,276,000	14,102,000	7,440,000	850,000	884,000		291,000	3,709,000
11	\$	\$ (0.11479)	\$ (0.07359)	\$ (0.04483)	\$ (0.04481)	(Note 1)	\$ -	\$ (0.04168)

Note 1: Refund checks to be issued to individual customers based on 2008 usage.