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BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UF 4185

In the Matter of AVISTA CORPORATION's)
Application to Amend Order No. 01-1002.) **SUPPLEMENTAL ORDER**

**DISPOSITION: ORDER NO. 01-1002 AMENDED;
WITH CONDITIONS AND REPORTING REQUIREMENTS**

On December 21, 2001, Avista Corporation filed an application pursuant to ORS 756.568 requesting the Commission amend Order No. 01-1002.¹ The basis for the current request is detailed in Staff's recommendation memo, attached as Appendix A.

Based on a review of the application and the Commission's records, the Commission finds that this application satisfies applicable statutes and administrative rules. At its special public meeting on December 27, 2001, the Commission adopted Staff's recommendation to approve Avista's current request.

ORDER

IT IS ORDERED THAT the supplemental application of Avista Corporation to amend Order No. 01-1002 is granted, subject to the conditions and reporting requirements, as further stated in Appendix A. All other provisions of Order No. 01-1002, shall, to the extent not modified by this order, remain in full force and effect.

Made, entered and effective _____.

BY THE COMMISSION:

Becky L. Beier
Commission Secretary

¹ The application was sent to the Public Utility Commission on December 20, 2001, and received in the Administrative Hearings Division on December 21, 2001.

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A party may appeal this order to a court pursuant to ORS 756.580.

ITEM NO. 1

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
SPECIAL PUBLIC MEETING DATE: DECEMBER 27, 2001**

REGULAR X **CONSENT** **EFFECTIVE DATE** _____

DATE: December 21, 2001

TO: Phil Nyegaard through Marc Hellman and Bryan Conway

FROM: Thomas D. Morgan

SUBJECT: UF 4185 – Avista's Request to Amend Order No. 01-1002

STAFF RECOMMENDATION:

Staff recommends that Avista Utilities' (Avista or Company) application to amend Order No. 01-1002 be approved.

DISCUSSION:

On December 20, 2001, Avista filed an application to amend Order 01-1002. The Company is requesting two changes; including an increase in the "all-in" interest rate and a modification to footnote 1 on page two of the Public Meeting memo attached to the Order.

The interest rate increase request reflects tighter market conditions Avista represents it now faces. The Company is requesting that the Commission approve all-in costs of 6.0% (six percent) rather than the 5.60% approved in the Order.

The Company requests footnote 1 referenced in Staff's Public Meeting memo for the November 20, 2001 Public Meeting should be changed. The text originally read, "Conversion in this docket refers to converting from the 28 day auction cycle bonds to a fixed rate to maturity." The Company requests that the language read, "Conversion in this docket refers to converting from the 28 day auction cycle bonds to term interest rate bonds bearing interest at a fixed rate, for the period ending December 30, 2008." This change is not material and does not undermine the original order.

PROPOSED COMMISSION MOTION:

Avista's application, UF 4185 is approved. The terms and conditions of Order No. 01-1002 remain in effect except for those specifically amended herein.