

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE SUBMISSION OF)	
THE SCHEDULE 66 PCA STATUS REPORT)	CASE NO. AVU-E-03-6
OF AVISTA CORPORATION AND)	
APPLICATION FOR CONTINUATION OF A)	
SCHEDULE 66 POWER COST)	
ADJUSTMENT (PCA) SURCHARGE)	ORDER NO. 29351
)	

On August 11, 2003, Avista Corporation dba Avista Utilities (Avista; Company) filed a Power Cost Adjustment (PCA) Schedule 66 Status Report with the Idaho Public Utilities Commission (Commission) and an Application requesting approved recovery of PCA balancing account deferrals through June 30, 2003 (\$27,843,108) and further continuation of a 19.4% (\$23.6 million) PCA surcharge currently scheduled to expire on October 11, 2003.

On August 27, 2003, the Commission issued a Notice of the Company's PCA filing and scheduled dates in Lewiston (Sept. 08) and Coeur d'Alene (Sept. 09) for customers to discuss Avista's PCA/energy issues with Commission Staff. The Commission in its Notice made a preliminary determination as to the appropriateness of processing the Company's Application under Modified Procedure, i.e., by written submission rather than by hearing, and established a September 30, 2003, comment deadline. Reference IDAPA 31.01.01.201-204. Timely comments were filed by Commission Staff and a few of the Company's customers. Staff recommends a \$5,849,100 adjustment (net fuel expense for losses on natural gas combustion turbine (CT) fuel sold rather than burned) to the deferral balance, a continuation of the existing 19.4% surcharge and true-up in the Company's next PCA filing. Staff also proposes changes in the Company's risk management policy. The Commission is informed that Avista intends to file a written reply to Staff comments and to make a procedural recommendation regarding Staff's proposed adjustment.

Because of time constraints and other demands on the Commission's time, the Commission will be unable to fully consider the Company's Application in Case No. AVU-E-03-06 prior to the scheduled expiration of the existing PCA surcharge (October 11, 2003). Recognizing that the existing 19.4% Schedule 66 PCA surcharge without Commission action will expire October 11, 2003, we find it administratively reasonable to continue the existing

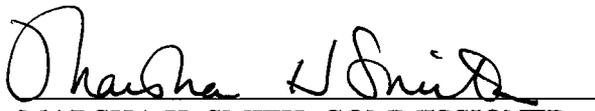
surcharge for 60 days or until such time as the Commission may issue an Order accepting, rejecting or modifying the Application in Case No. AVU-E-03-6. Our continuation of the existing surcharge is not to be construed as constituting approval of the referenced filing or of any purposed surcharge provided for in the filed documents. Our continuation of the existing surcharge is without prejudice to any findings or Orders which may hereafter be made by the Commission in this proceeding.

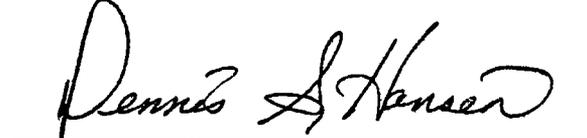
ORDER

In consideration of the foregoing, IT IS HEREBY ORDERED and the Commission does hereby authorize continuation of the existing 19.4% Schedule 66 Power Cost Adjustment (PCA) surcharge for 60 days beyond the scheduled October 11, 2003 expiration, or until such time as the Commission may issue an Order accepting, rejecting or modifying the Application in Case No. AVU-E-03-6.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 8th day of October 2003.


PAUL KJELLANDER, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


DENNIS S. HANSEN, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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