BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION	
OF AVISTA CORPORATION DBA AVISTA) CASE NOS. AVU-E-10-01
UTILITIES FOR AUTHORITY TO) AVU-G-10-01
INCREASE ITS RATES AND CHARGES FOR)
ELECTRIC AND NATURAL GAS SERVICE) NOTICE OF
IN IDAHO.) COST OF SERVICE WORKSHOP
)

On September 21, 2010, the Commission issued Order No. 32070 authorizing Avista to recover \$21.25 million in additional annual base revenues for electric service and \$1.85 million in additional annual base revenues for natural gas service. In addition, the Commission directed Avista, Staff, and other interested parties to convene a public workshop prior to the Company's next general rate case to discuss (1) the appropriate size of the first tier energy block for residential electric service Schedule 1; (2) the possible use of a revised peak credit method for classifying production costs and other cost of service issues; and (3) other customer service related issues. Order No. 32070 at 18. On December 20, 2010, a workshop was held to address the appropriate size of the first tier energy block and customer service related issues. This workshop is intended to address the issues of a revised peak credit method for classifying production costs and other cost of service matters.

NOTICE OF COST OF SERVICE WORKSHOP

YOU ARE HEREBY NOTIFIED that Commission Staff will hold a workshop on TUESDAY, FEBRUARY 8, 2011, AT 9:30 A.M. (MOUNTAIN TIME) IN THE COMMISSION HEARING ROOM, 472 WEST WASHINGTON STREET, BOISE, IDAHO. Persons wishing to participate telephonically may dial toll-free (888) 706-6468; when prompted, enter Participant Code 472404. Specifically, the purpose of the workshop is to discuss the possible use of a revised peak credit method for classifying production costs, as well as consideration of the use of a 12 CP (whether "weighted" or not) versus a 7 CP or other method for allocating transmission costs.

¹ The increase in base electric rates will be offset by \$13 million in deferred state income tax (DSIT) in the first year (beginning October 1, 2010) and by \$4 million in DSIT in the second year. The increase in base natural gas rates will be offset by \$500,000 in DSIT beginning October 1, 2010.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be held in facilities meeting the accessibility requirements of the Americans with Disabilities Act (ADA). Persons needing the help of a sign language interpreter or other assistance in order to participate in or to understand testimony and argument at a public hearing may ask the Commission to provide a sign language interpreter or other assistance at the hearing. The request for assistance must be received at least five (5) working days before the hearing by contacting the Commission Secretary at:

IDAHO PUBLIC UTILITIES COMMISSION PO BOX 83720 BOISE, IDAHO 83720-0074 (208) 334-0338 (Telephone) (208) 334-3762 (FAX) E-mail: secretary@puc.idaho.gov

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and that the Commission may enter any final Order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 et seq.

DATED at Boise, Idaho this

12th

day of January 2011.

Commission Secretary

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