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IDAHO PUBLIC
UTILITIES COMMISSION



VIA Electronic Mail

March 8, 2008

Jean D. Jewell, Secretary
Idaho Public Utilities Commission
Statehouse Mail
W. 472 Washington Street
Boise, Idaho 83720

RE: Avista's 2007 Annual Report on Optional Alternative Renewable Energy

Dear Ms. Jewell:

Pursuant to Order No. 28948 in Case No. AVU-E-01-16, Avista Utilities provides this report on the Company's alternative energy resources offered as options to customers in 2007 under Schedule 95—Optional Wind Power Rate. Avista Utilities' voluntary program, marketed as the "Buck-A-Block" program, for wind resources was initiated on February 1, 2002.

Avista Utilities offers an alternative renewable energy rate in the form of a wind power option to residential and commercial electric customers in both Washington and Idaho. The program offers blocks of 300 kWh for \$1.00 each, paid in addition to their regular rates. Customers may purchase as many blocks as they would like. Customers subscribe on a monthly basis and can cancel and re-subscribe at anytime by either phone, internet, or bill inserts. Avista Utilities purchases the power and associated environmental benefits from PPM Energy and the Stateline Energy Center, located along the Washington-Oregon border to supply the program. The Company marketed the program through billing inserts, earned media, local public radio, selected fairs, and print media.

The attachment included shows the rate of customer participation, the amount of qualified alternative energy resources purchased by customers, and the amount of utility investments in qualified alternative energy resources.

Please direct questions on this matter to me at (509) 495-4975 or Chris Drake at (509) 495-8624.

Sincerely,

A handwritten signature in cursive script that reads "Linda Gervais".

Linda Gervais
Manager, Regulatory Policy

attachments



Buck-A-Block Program Summary for 2007

	All			RES. (~310,000)			C&I (~41,000)		
	Total	WA	ID	RES	WA	ID	C&I	WA	ID
Customers	3,431	2,379	955	3,334	58	39	97		
Blocks	18,583	9,894	3,872	13,766	3,956	861	4,817		
<i>Average Purchase</i>	5.42	4.2	4.1	4.1	68.2	22.1	49.7		
<i>% of Wind Customers</i>	--	69%	28%	97%	2%	1%	3%		
<i>% of Electric Customers</i>	1.0%	1.1%	1.0%	1.1%	0.2%	0.3%	0.2%		
<i>% of Total Purchases</i>	--	53%	21%	74%	21%	5%	26%		

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2007 Number of Blocks Sold \$222,125
 2007 Number of kWh Sold 66,637,500