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Toll Free 800-727-9170

IDANO PUBLIC UTILITIES COMMISSION

February 13, 2012

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

RE: Avista's 2011 Annual Report on Optional Alternative Renewable Energy

Dear Ms. Jewell:

Pursuant to Order No. 28948 in Case No. AVU-E-01-16, enclosed for filing is an original and seven (7) copies of Avista Utilities report on the Company's alternative energy resources offered as options to customers in 2011 under Schedule 95—Optional Renewable 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 renewable energy certificates from PPM Energy 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,

Linda Gervais Manager, Regulatory Policy

Enc.



Buck-A-Block Program Summary for 2011

| | All | | KES. (~315,000) | | | C&I (~44,000) | |
|-------------------------|--------|-------|-----------------|--------|-------|---------------|-------|
| | Total | WA | ID | RES | WA | ID | C&1 |
| Customers | 3,550 | 2,445 | 995 | 3,440 | 66 | 44 | 110 |
| Blocks | 20,383 | 9,670 | 3,933 | 13,603 | 5,974 | 806 | 6,780 |
| Average Purchase | 5.74 | 4.0 | 4.0 | 4.0 | 90.5 | 18.3 | 61.6 |
| % of Wind Customers | ı | 69% | 28% | 97% | 2% | 1% | 3% |
| % of Electric Customers | 1.0% | 1.2% | 0.9% | 1.1% | 0.3% | 0.2% | 0.3% |
| % of Total Purchases | I | 47% | 100% | 7073 | 29% | 4% | 33% |

2011 Blocks Sold 2011 RECs (kWh) Sold

\$250,121 75,036,300

2011 WA Blocks 2011 WA RECs (kWh)

\$ 192,086 57,625,800

Residential RECs (kWh)

Residential Blocks

69

169,006 50,701,800

2011 ID Blocks 2011 ID RECs (kWh)

58,035 17,410,500

Commercial RECs (kWh)

Commercial Blocks

4

81,115 24,334,500