

April 12, 2001

David P. Boergers, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: Avista Corporation
Informational Filing on Grid Enhancements
Pursuant to the Commission's Order in Docket No. EL01-47-000

Dear Mr. Boergers:

On March 14, 2001, the Commission issued an *Order Removing Obstacles to Increased Electric Generation and Natural Gas Supply in the Western United States and Requesting Comments on Further Actions to Increase Energy Supply and Decrease Energy Consumption* in Docket No. EL01-47-000. On page 21 of the Order, the Commission ordered all transmission owners in the Western Systems Coordinating Council ("WSCC") to file, for informational purposes, "a list of grid enhancements that could be made in the short term." In response to the Commission's Order, Avista Corporation ("Avista") submits the following information on grid enhancement projects.

Avista will construct a new double circuit 230 kV line between the 230 kV Rathdrum substation in northern Idaho and the 230 kV Beacon substation in Spokane, Washington ("Rathdrum-Beacon Facility"). This new facility will replace a lower capacity 230 kV line (309 MVA summer rating) with two circuits of significantly higher capacity on the same right-of-way. The rating of each circuit will be 500 MVA in the summer, with overload capability of approximately double that figure. The Rathdrum-Beacon Facility will be energized by late fall 2002. The cost of these new facilities will be approximately \$9.8 million, including the transmission line(s) and terminal equipment. No additional right-of-way for this project will be required. No state certification is required for this project.

Due to its proximity to two large gas pipelines, the Rathdrum area has become a preferred site for additional generation facilities and attendant integration into Avista's transmission system. However, this

area has been transmission constrained. Indeed, recently Avista Power/Cogentrix (a partially-owned subsidiary of Avista) interconnected its new generation facility in the Rathdrum area with the Bonneville Power Administration due to constraints in the Avista transmission grid. By the installation of the Rathdrum-Beacon Facility, grid capacity between Rathdrum and Beacon will be increased by approximately 691 MVA in the summer and 641 MVA in the winter. This will allow generation which has been constrained during summer operation to be integrated into the system. It will also allow new generation which has been proposed in the Rathdrum area (four LM 6000's, and a Heat Recovery Steam Generator (HRSG)) to be integrated into Avista's transmission system with no constraint.

Any questions regarding Avista's Rathdrum-Beacon Facility may be directed to Randy Cloward, Director, Transmission Operations, Avista Corporation at (509) 495-4619.

Very truly yours,

PAINE, HAMBLIN, COFFIN,
BROOKE & MILLER LLP

Tom DeBoer
Attorneys for Avista Corporation