

Avista Corp.
1411 East Mission PO Box 3727
Spokane, Washington 99220-3727
Telephone 509-489-0500
Toll Free 800-727-9170



SENT ELECTRONICALLY AND VIA OVERNIGHT MAIL

Corp.

October 25, 2006

Public Utility Commission of Oregon
Attn: Filing Center
550 Capitol St NE #215
Salem, OR 97308-2148

Re: Tax Report Filing of Avista Corporation (2004 and 2003), Docket UG 171

On October 13, 2006 Avista Corporation (Avista) submitted its confidential tax report for calendar year 2005 and indicated that the 2004 and 2003 tax reports would be filed at a later date. Enclosed are Avista's tax reports for 2004 and 2003. The filing is made in compliance with OAR 860-022-0041 adopted in Docket No. AR 499 by Order No. 06-532 entered 09/14/06. UG 171 has been designated as the docket to address the Company's tax report filings.

With the exception of this cover letter, the 2004 and 2003 tax reports are being filed under seal and, together with the previously filed 2005 tax report, are to be handled as highly confidential documents pursuant to the protective order issued in Order No. 06-033. The Company is also submitting the backup workpapers associated with the 2004 and 2003 tax reports, which together with the 2005 workpapers are also to be handled as being highly confidential. The tax reports and the workpapers are stamped confidential, copied on green paper, and enclosed in a sealed envelope that is labeled as containing confidential information. The reports are for informational purposes only and no rate change will result from this filing.

The amount of federal and state income taxes paid as calculated pursuant to the rule is less than the amount of taxes authorized to be collected for each of the three tax report periods as shown below:

2005	\$1,557,000	2004	\$1,013,000	2003	\$1,403,000
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Again, no change in rates will result from these calculated differences.

If you have any questions, please contact Ron McKenzie at (509) 495-4320.

Sincerely,

Kelly Norwood
Vice President, State and Federal Regulation


RM
Enclosures

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served Avista Corporation's Tax Report Filing (2004 and 2003) in Docket UG171 upon the parties listed below by sending a copy via U.S. Mail and/or electronic mail.

Cable Huston Benedict Haagensen & Lloyd LLP Edward A Finklea Chad M. Stokes 1001 SW 5 th – Ste 2000 Portland, OR 97204 efinklea@chbh.com cstokes@chbh.com	Citizens' Utility Board of Oregon Lowrey R. Brown Jason Eisdorfer 610 SW Broadway – Ste 308 Portland, OR 97205 lowrey@oregoncub.org Jason@oregoncub.org
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Kafoury & MdDougal Linda K. Williams 10266 SW Lancaster Rd. Portland, OR 97219-6305 Linda@lindawilliams.net	PacifiCorp Laura Beane, Manager - Regulatory 825 NE Multnomah Portland, OR 97232 Laura.beane@pacificorp.com
Pacific Power & Light Paul M. Wrigley, Manager – Regulatory 825 Multnomah Ste. 2000 Portland, OR 97232 Paul.wrigley@pacificorp.com	Portland General Electric Company Pamela G. Lesh, VP Rates & Regulatory Affairs 121 SW Salmon St. 1 WTC 1703 Portland, OR 97204 Pamela.lesh@pgn.com
Northwest Natural Gary Bauer 220 NW 2 nd Ave. Portland, OR 97209 Gary.bauer@nwnatural.com	

I declare under penalty of perjury that the foregoing is true and correct.
Dated at Spokane, Washington this 25th day of October 2006.



Patty Olsness