

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

October 12, 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, Docket UG 171

Enclosed for filing is Avista Corporation's tax report for the calendar year 2005. 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. Section (4) of the rule requires each public utility to file a tax report with the Commission by October 15 of each year. The rule requires a tax report for each of the three preceding fiscal years. Due to time constraints Avista is only filing a tax report for 2005 at this time, but will follow-up with tax report filings for 2004 and 2003. The delayed filing of the 2004 and 2003 tax reports was discussed with Commission Staff.

With the exception of this cover letter, the 2005 tax report being filed is being filed under seal and is to be handled as a confidential document. The report is stamped confidential, copied on yellow paper, and enclosed in a sealed envelope that is labeled as containing confidential information. When procedures are established for the review of confidential information, supporting workpapers will be provided. The report is for informational purposes only and no rate change will result from this filing.

For calendar year 2005 the amount of federal and state income taxes paid as calculated pursuant to the rule is \$1,557,000 less than the amount of taxes authorized to be collected. Again, no change in rates will result from this calculated difference.

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

Sincerely,

A handwritten signature in cursive script that reads "Kelly Norwood".

Kelly Norwood
Vice President, State and Federal Regulation

RM
Enclosure

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the Non-Confidential portion of Avista Corporation's Tax Report Filing 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
Daniel W. Meek Attorney at Law 10949 SW 4 th Ave. Portland, OR 97219 dan@meek.net	Department of Justice Jason W. Jones Regulated Utility & Business Section 1162 Court St. NE Salem, OR 97301-4096 Jason.w.jones@state.or.us
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@pacificcorp.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 12th day of October 2006.



Patty Olsness