BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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IN THE MATTER OF THE APPLICATION OF AVISTA CORPORATION FOR THE AUTHORITY TO INCREASE ITS RATES AND CHARGES FOR ELECTRIC AND NATURAL GAS SERVICE TO ELECTRIC AND NATURAL GAS CUSTOMERS IN THE STATE OF IDAHO

CASE NOS. AVU-E-08-01 AVU-G-08-01

NOTICE OF VACATED HEARING

On April 3, 2008, Avista Corporation dba Avista Utilities (Avista; Company) filed an Application with the Idaho Public Utilities Commission (Commission) for authority to recover \$32.3 million (16.7%) in additional annual electric revenue and \$4.7 million (5.8%) in additional annual natural gas revenue.

On August 8, 2008, a Stipulation and Proposed Settlement was filed with the Commission purporting to resolve all issues raised in this proceeding. Under the terms of the Stipulation, Avista would be authorized to recover \$23.2 million (11.98%) in additional annual electric revenue and \$3.9 million (4.7%) in additional annual natural gas revenue. On August 12, 2008, the Commission issued a Notice of Proposed Settlement and an Amended Notice of Scheduling and Hearing. A technical and evidentiary hearing on the Settlement Stipulation was held on August 28, 2008 in Boise. Public hearings in northern Idaho on the Settlement Stipulation were held on August 27 and 28, 2008. The deadline for filing written comments regarding the Proposed Settlement was September 5, 2008.

The Commission in its August 12, 2008 Notice of Proposed Settlement retained the previously established September 23-25, 2008 technical hearing dates (for the Company's general rate case) in the event a further scheduling conference was required. YOU ARE HEREBY NOTIFIED that the Commission has considered the record in Case Nos. AVU-E-08-01 and AVU-G-08-01 and finds it reasonable to vacate the September 23-25, 2008 technical hearing dates.

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DATED at Boise, Idaho this 22^M

day of September 2008.

MACK A. REDFORD, PRESIDENT

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MARSHA H. SMITH, COMMISSIONER

MM D. KEMPTON, COMMISSIONER

ATTEST:

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Jean D. Jewell() Commission Secretary

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