

AVU-5-07-02

AVISTA UTILITIES

Exhibit "B"

Notice to Public of Applicant's Proposed Tariffs

September 14, 2007

AVISTA UTILITIES
NOTICE OF IDAHO TARIFF CHANGE
(Natural Gas Service Only)

Notice is hereby given that the "Sheets" listed below of Tariff IPUC No. 27, covering natural gas service applicable to Idaho customers of Avista Utilities have been filed with the Idaho Public Utilities Commission (IPUC) in Boise, Idaho.

Tenth Revision Sheet 150 canceling Ninth Revision Sheet 150 and,
Seventh Revision Sheet 155 canceling Sixth Revision sheet 155

Tenth Revision Sheet 150 updates the forward-looking cost of natural gas purchased for customer usage. Sixth Revision Sheet 155 updates the amortization rate used to recover previous gas cost differences.

If the proposed tariffs are approved by the IPUC, total Company Idaho revenues will *decrease* by approximately \$4.0 million per year, or about 4.6%. This request is a Purchased Gas Cost Adjustment (PGA) that is filed annually to reflect changes in the cost of gas purchased to serve customers. Any increases or decreases resulting from these PGA filings directly result from the cost of gas purchased in the marketplace; Avista makes no additional profits from these rate changes.

A residential or small business customer served under Schedule 101 using an average of 65 therms per month can expect to see an average *decrease* of approximately \$3.65 per month, or about 4.6%. Larger commercial customers served under Schedules 111 and 121 can expect to see an average *decrease* of about 5.2% and 5.5% respectively, with the higher percentages due to lower base rates. However, actual customer decreases will vary based on therms consumed.

This filing requests an effective date of November 1, 2007.

Copies of the proposed tariff changes are available for inspection in the Company's offices or can be obtained by calling (509) 495-4067 or writing:

Avista Utilities
Attention: Ms. Patty Olsness
P.O. Box 3727
Spokane, WA. 99220-3727

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