

Idaho Public Utilities Commission
Office of the Secretary
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APR - 3 2008

Boise, Idaho

AVU-E-08-01 / AVU-G-08-01

EXHIBIT B-2

CUSTOMER NOTICES

**IMPORTANT NOTICE FOR IDAHO
ELECTRIC CUSTOMERS**

April 2008

On April 3, 2008, Avista filed an application with the Idaho Public Utilities Commission (Commission) requesting a net increase above current Idaho electric rates totaling \$32.3 million or 15.8% overall. The proposed rate change is related to the increased operating costs, as well as increased capital investment in generation, transmission and distribution facilities necessary to provide electric service.

The Company's current electric rates are based on 2002 costs. Those rates no longer cover the Company's costs of providing electric service to its customers.

The proposed increases above current rates by service schedule are as follows:

| | |
|--|-------|
| <i>Residential Service - Schedule 1 -</i> | 15.9% |
| <i>General Service - Schedule 11 & 12 -</i> | 16.0% |
| <i>Large General Service - Schedule 21 & 22 -</i> | 15.8% |
| <i>Extra Large General Service - Schedule 25 -</i> | 15.6% |
| <i>Potlatch - Schedule 25P</i> | 15.4% |
| <i>Pumping Service - Schedule 31 & 32 -</i> | 15.9% |
| <i>Street & Area Lights - Schedules 41 - 49 -</i> | 16.5% |

The Company is proposing that the basic charge for residential service be increased from \$4.00 to \$4.60 per month.

(more on reverse)

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Under the Company's proposal residential customers with average usage of 977 kilowatt-hours per month would see their monthly bills increase from \$67.38 to \$78.08, an increase of \$10.70 per month or 15.9%.

The Company's application is a proposal, subject to public review and a Commission decision. A copy of the application is available for public review at the offices of both the Commission and the Company. The Commission has up to seven months to review the Company's rate increase request. The Commission will begin a comprehensive review of Avista's application and will seek public input on the Company's request.

If you would like to submit comments on this proposed increase, you can do so by going to the Commission website at www.puc.idaho.gov or mailing comments to:

Idaho PUC
P.O. Box 83720
Boise, ID 83720-0074

If you are not already on Comfort Level Billing, consider applying for this free service. Comfort Level Billing averages your annual bill into equal monthly payments. For more information about the proposed price increase, conservation tips, energy assistance programs, and bill payment plans, visit our website at www.avisautilities.com or call us at 1-800-227-9187.

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**IMPORTANT NOTICE FOR IDAHO
NATURAL GAS CUSTOMERS**

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On April 3, 2008, Avista filed an application with the Idaho Public Utilities Commission (Commission) requesting a net increase above current Idaho natural gas rates totaling \$4.7 million or 5.8% overall. The proposed rate change is related to increased operating costs, increased capital investment necessary to provide natural gas service to customers, and expansion of Avista's underground natural gas storage facility. This proposed rate change does not reflect changes in the cost of natural gas purchased by Avista to serve customers. Changes in the cost of natural gas are reflected in an annual purchased gas cost adjustment.

The proposed increases above current rates by service schedule are as follows:

General Service - Firm - Schedule 101 (residential & small commercial) - 6.5%
Large General Service - Firm - Schedules 111 & 112- 3.3%
High Annual Load Factor Large General Service - Firm - Schedules 121 & 122 2.7%*
**Interruptible Service - Schedules 131 & 132 4.9%*
*Transportation Service for Customer-Owned Gas - Schedule 146** 0.9%*

* Propose to discontinue Schedules 121 & 122, those customers will be moved to Schedule 111 or 112.
** Excludes gas costs

The difference in the proposed increase percentages for different customer rate classes is based on a comparison of the cost of providing service to those customers and the present rates billed for service.
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As part of its request the Company is proposing that the basic charge for service to residential and small commercial customers be increased from \$3.28 to \$4.00 per month. Under the Company's proposal residential customers with average usage of 65 therms per month would see their monthly bills increase from \$75.14 to \$80.05, an increase of \$4.91 per month or 6.5%.

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