

JAN 23 2009

Boise, Idaho

**IMPORTANT NOTICE FOR IDAHO
ELECTRIC CUSTOMERS**
January 2009

AVU-E-09-01
AVU-G-09-01

On January 23, 2009, Avista filed an application with the Idaho Public Utilities Commission (Commission) proposing to increase Idaho electric rates by \$31.2 million or 12.8%. As part of the filing, the Company also proposed to decrease the current Power Cost Adjustment (PCA) surcharge by \$12.3 million, or 5.0%, for an overall net increase of 7.8%. The PCA is an annual rate adjustment that reflects the actual cost of generating electricity to meet customers' needs.

The proposed increase reflects increased operating costs, as well as increased capital investment in generation, transmission and distribution facilities necessary to provide electric service.

The proposed net increase above current rates by service schedule is as follows:

<i>Residential Service – Schedule 1 -</i>	8.73%
<i>General Service – Schedule 11 & 12 –</i>	7.78%
<i>Large General Service – Schedule 21 & 22 -</i>	7.79%
<i>Extra Large General Service –</i>	
<i>Schedule 25 -</i>	7.78%
<i>Potlatch – Schedule 25P</i>	5.67%
<i>Pumping Service – Schedule 31 & 32 -</i>	7.77%
<i>Street & Area Lights – Schedules 41 – 49 -</i>	8.85%

Residential customers with average usage of 982 kilowatt-hours per month would see their monthly bills increase from \$78.47 to \$85.18, an increase of \$6.71 per month, or 8.6 %. As part of the request, the Company is proposing that the basic monthly charge for residential service be increased from \$4.60 to \$5.00 per month.

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.avistautilities.com or call us at 1-800-227-9187.