

JAN 23 2009

Boise, Idaho

**IMPORTANT NOTICE FOR IDAHO
NATURAL GAS 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) requesting a net increase above current Idaho natural gas rates totaling \$2.7 million or 3.0% overall. The proposed rate change is related to increased operating costs and increased capital investment necessary to provide natural gas service to customers. 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:

<i>General Service – Firm - Schedule 101 (residential & small commercial) -</i>	3.1 %
<i>Large General Service - Firm – Schedules 111 & 112-</i>	2.5 %
<i>High Annual Load Factor Large Interruptible Service - Schedules 131 & 132</i>	1.7 %
<i>Transportation Service for Customer- Owned Gas – Schedule 146*</i>	10.9 %

* Excludes gas costs

As part of its request the Company is proposing that the basic charge for service to residential and small commercial customers be increased from \$4.00 to \$4.25 per month. Under the Company's proposal residential customers with average usage of 66 therms per month would see their monthly bills increase from \$79.38 to \$81.94, an increase of \$2.56 per month or 3.2%.

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 will begin a comprehensive review of Avista's application and will seek public input on the Company's request. The Commission has up to seven months to review the Company's rate increase 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.