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Exhibit "B"

Media Notice to Public of Applicant's Proposed Tariffs

December 30, 2008



AVC-80902

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## **Avista Requesting to Lower Natural Gas Prices for Idaho and Washington Customers**

*Wholesale natural gas prices have declined with crude oil prices*

**SPOKANE, Wash. – Dec. 31, 2008:** Avista has filed requests with the state utility commissions in Idaho and Washington to reduce natural gas prices for Idaho and Washington customers by 4.7 percent and 3.0 percent respectively, to be effective in January 2009.

“Wholesale natural gas prices have declined since Avista filed its annual Purchase Gas Cost Adjustments (PGA) in September. We believe it is important during these challenging economic times that our customers receive the benefit from these lower natural gas prices now rather than waiting until annual PGAs are filed again next fall,” said Kelly Norwood, Avista vice president for state and federal regulation.

Annual PGA filings are typically made once a year to pass through changes in the cost of natural gas Avista acquires to serve customers. PGA filings do not impact company earnings.

If the filing is approved by the Idaho Public Utility Commission (IPUC), a residential natural gas customer using 65 therms per month would see a decrease of \$3.89, or 4.7 percent, for a revised monthly bill of \$78.23. New natural gas prices for Idaho customers are proposed to be effective Jan. 6, 2009. Avista serves about 72,000 natural gas customers in Idaho.

A residential natural gas customer in Washington using an average of 70 therms per month would see a \$2.60 decrease, or 3.0 percent, for a revised total monthly bill of \$85.40. New natural gas prices for Washington customers are proposed to be effective Jan. 16, 2009. Avista serves approximately 144,000 natural gas customers in Washington.

Avista offers a number of rebates and incentive programs to help residential and commercial customers manage their costs through a reduced energy use. For information on the energy efficiency programs and on low- and no-cost energy saving ideas, visit [www.everylittlebit.com](http://www.everylittlebit.com).

About 75 percent of an average residential customer's monthly natural gas bill is the cost of the natural gas and pipeline transportation. The remaining 25 percent is Avista's fixed costs to provide natural gas service through its distribution system.

Avista Corp. is an energy company involved in the production, transmission and distribution of energy as well as other energy-related businesses. Avista Utilities is our operating division that provides service to 352,000 electric and 311,000 natural gas customers in three Western states. Avista's primary, non-regulated subsidiary is Advantage IQ. Avista stock is traded under the ticker symbol "AVA." For more information about Avista, please visit [www.avistacorp.com](http://www.avistacorp.com).

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This news release contains forward-looking statements regarding the company's current expectations. Forward-looking statements are all statements other than historical facts. Such statements speak only as of the date of the news release and are subject to a variety of risks and uncertainties, many of which are beyond the company's control, which could cause actual results to differ materially from the expectations. These risks and uncertainties include, in addition to those discussed herein, all of the factors discussed in the company's Annual Report on Form 10-K for the year ended Dec. 31, 2007, and the Quarterly Report on Form 10-Q for the quarter ended September 30, 2008.

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