

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF AVISTA CORPORATION DBA AVISTA)	CASE NOS. AVU-E-10-01
UTILITIES FOR AUTHORITY TO)	AVU-G-10-01
INCREASE ITS RATES AND CHARGES FOR)	
ELECTRIC AND NATURAL GAS SERVICE)	NOTICE OF TELEPHONIC
IN IDAHO)	PUBLIC HEARING

In March 2010, Avista Corporation dba Avista Utilities filed an Application seeking authority to increase the Company’s base rates for electric and natural gas service by averages of 14% and 3.6%, respectively. The Commission suspended the Application and subsequently granted intervention to the following parties: Clearwater Paper Corporation; Idaho Forest Group; Idaho Community Action Network (ICAN); Community Action Partnership Association of Idaho (CAPAI); Idaho Conservation League (ICL); Snake River Alliance; and North Idaho Energy Logs. The parties scheduled two conferences to discuss the possibility of settling all or some of the issues in the rate case. All parties attended the settlement conferences except ICAN and Idaho Energy Logs.

Based upon the settlement discussions, the participating parties agreed to resolve and settle all issues raised in the case. On July 26, 2010, the settling parties filed their Settlement Stipulation with the Commission. On July 29, 2010, the Commission issued a Notice of Proposed Settlement outlining the major element in the parties’ settlement proposal.

THE PROPOSED SETTLEMENT

Briefly, the settlement parties agreed that annual revenues for Avista’s electric and natural gas service may increase by \$21.25 million (9.25%) and \$1.85 million (2.62%), respectively. However, these proposed revenue increases are to be offset by \$17.5 million of deferred state income tax over a two-year period. The tax offset would result in an average net increase in base rates of 3.59% for electric service and an average increase of 1.9% for natural gas service. The parties propose that new electric and natural gas base rates become effective October 1, 2010.

YOU ARE HEREBY NOTIFIED that the parties’ Settlement Stipulation and the Commission’s Notice of Proposed Settlement (Order No. 32043) can be viewed at the

Commission's office in Boise, Idaho or on the Commission's web site at www.puc.idaho.gov by clicking on "File Room" and then "Electric Cases."

YOU ARE FURTHER NOTIFIED that the Commission directed that parties' testimony in support of or in opposition to the proposed settlement be submitted by August 5, 2010, and rebuttal testimony be submitted by August 19, 2010. See Order No. 32043.

YOU ARE FURTHER NOTIFIED that the Commission is not bound by any settlement reached by the parties. The Commission will independently review any settlement proposal to determine whether the settlement is just, fair and reasonable, and in the public interest, or otherwise in accordance with law or regulatory policy. The Commission may accept the settlement, reject the settlement, or state additional conditions under which the settlement will be accepted. IDAPA 31.01.01.274-.276.

NOTICE OF TELEPHONIC PUBLIC HEARING

YOU ARE FURTHER NOTIFIED that the Commission will hold a telephonic hearing in this matter on **THURSDAY, AUGUST 26, 2010 AT 7:00 P.M. (PST) IN THE COMMISSION HEARING ROOM, 427 WEST WASHINGTON STREET, BOISE, IDAHO.** Persons wishing to offer their testimony telephonically or listen to the proceedings may dial the following **toll-free number: 800-920-7487 followed by the Participant Code: 76373262.** At this meeting, customers and other interested persons will have an opportunity to offer sworn testimony regarding Avista's Application to increase its rates for electric and natural gas service as well as the proposed settlement in this matter. After dialing the toll-free number shown above, the telephonic hearing will be held in the following manner:

- A participant's phone will be automatically muted except when testifying;
- If you would like to testify, press * 1 (star one) on your phone key pad. This will sign you up (i.e., put you in the queue) to testify;
- When it is your turn to testify, you will hear the prompt "ask your question." At that time, you will be sworn in by a Commissioner, asked to state your full name, spell your last name, and give your full address;
- To be sure we can properly record your testimony, you will be asked to eliminate any background noise, such as the TV, radio, etc., in order for us to clearly hear. At the conclusion of your testimony, the parties or the Commissioners may ask you questions;

- If at any time after you sign up to testify, you decide that you do not want to testify, simply push the # (pound) key on your telephone and you will be taken (i.e., out of the queue) off the list to testify.

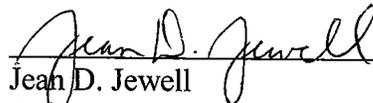
YOU ARE FURTHER NOTIFIED that all hearings and prehearing conferences in this matter will be held in facilities meeting the accessibility requirements of the Americans with Disabilities Act (ADA). Persons needing the help of a sign language interpreter or other assistance in order to participate in or to understand testimony and argument at a public hearing may ask the Commission to provide a sign language interpreter or other assistance at the hearing. The request for assistance must be received at least five (5) working days before the hearing by contacting the Commission Secretary at:

IDAHO PUBLIC UTILITIES COMMISSION
PO BOX 83720
BOISE, IDAHO 83720-0074
(208) 334-0338 (Telephone)
(208) 334-3762 (FAX)
Email: secretary@puc.idaho.gov

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and specifically including *Idaho Code* § 61-129, 61-502, and 61-622. The Commission may enter any final Order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

DATED at Boise, Idaho this 4th day of August 2010.



Jean D. Jewell
Commission Secretary

O:AVU-E-10-01_AVU-G-10-01_dh2_Telephonic Hearing