

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF AVISTA CORPORATION FOR AN) **CASE NO. AVU-U-08-01**
ORDER AUTHORIZING THE OFFERING,)
ISSUANCE AND SALE OF SECURITIES) **ORDER NO. 30670**
NOT TO EXCEED \$350,000,000.)

On October 8, 2008, Avista Corporation (Avista) filed a request that the Commission amend Order No. 30509 issued on February 29, 2008. In that Order, the Commission approved the Company's request for authorization to offer, issue, and sell up to \$350,000,000 of secured fixed rate bonds. Pursuant to the authority granted by Order No. 30509, Avista issued \$250,000,000 of First Mortgage Bonds for a 10-year term at 5.95% on April 3, 2008.

The Company's requested amendments include an increase in debt authority to \$550,000,000 (from \$350,000,000), a maximum coupon rate of 8.5% (from 7%), and terms of 5-31 years (from 10-31 years). The ongoing need to meet capital expenditures and the current debt markets prompted Avista to seek the requested amendments. All other terms and filing requirements set forth in Order No. 30509 will be continuing and binding.

Staff reviewed Avista's request and recommended approval of the proposed amendments. This authority would allow the Company to issue additional securities without further approval from the Commission in order to provide the greatest level of flexibility and opportunity when the market is favorable.

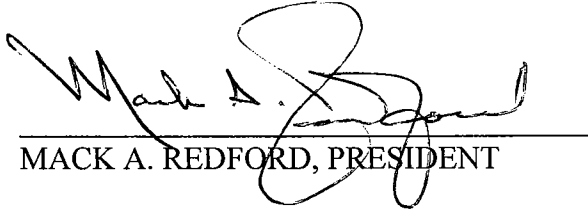
Idaho Code § 61-624 authorizes the Commission at any time to rescind, alter or amend any Order or decision made by it. Commission Rule of Procedure 326 states that the Commission may amend a final Order when there are good and sufficient reasons for doing so. The Commission finds that Avista has provided good and sufficient reasons for amending Order No. 30509 to (1) increase the authorized security issuance to a total of \$550,000,000; (2) allow a maximum coupon rate of 8.5%; and (3) allow terms of 5-31 years. Accordingly, the Commission grants the request filed by Avista to amend Order No. 30509. All other terms and conditions stated in Order No. 30509 remain in effect.

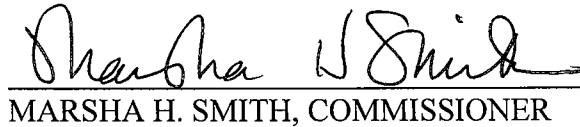
ORDER

IT IS HEREBY ORDERED that Order No. 30509 is amended to (1) increase the authorized security issuance to a total of \$550,000,000; (2) allow a maximum coupon rate of 8.5%; and (3) allow terms of 5-31 years. All other terms and requirements set forth in Order No. 30509 are continuing and binding.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

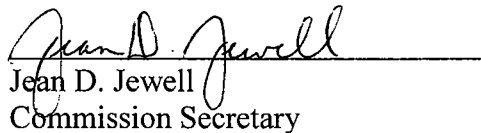
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 5th day of November 2008.


MACK A. REDFORD, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


JIM D. KEMPTON, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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