

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF AVISTA CORPORATION FOR THE)	CASE NOS. AVU-E-09-01
AUTHORITY TO INCREASE ITS RATES)	AVU-G-09-01
AND CHARGES FOR ELECTRIC AND)	
NATURAL GAS SERVICE TO ELECTRIC)	
AND NATURAL GAS CUSTOMERS IN THE)	ORDER NO. 30728
STATE OF IDAHO)	

On January 23, 2009, Avista Corporation dba Avista Utilities (Avista; Company) filed an Application with the Idaho Public Utilities Commission (Commission) for authority to increase the Company’s general rates for electric and natural gas service in Idaho by averages of 12.8% and 3.0%, respectively. As part of the filing, the Company also proposes to decrease the current tariff Schedule 66 Power Cost Adjustment (PCA)¹ surcharge by \$12.3 million, or 5%, for an overall net electric rate increase of 7.8%. If approved, the Company revenues for electric base retail rates would increase by \$31.2 million annually; Company revenues for natural gas service would increase by \$2.7 million annually. The Company requests an effective date of February 23, 2009 for its proposed electric/gas rate increase.

After reviewing the Application in Case Nos. AVU-E-09-01 and AVU-G-09-01, the Commission makes the following findings of fact and conclusions of law and enters its Order as follows:

FINDINGS OF FACT

Avista Corporation dba Avista Utilities has submitted proposed schedules of rates and charges for electric and natural gas service in Idaho to become effective on and after February 23, 2009.

The Commission will be unable to consider the Application before the proposed effective date of February 23, 2009, because of other demands on the Commission’s time and because of the complexity of the evidence and issues presented by the Application. The Application is of sufficient importance to require the Commission’s investigation of the reasonableness of the proposed rates and charges.

¹ The Company’s PCA mechanism is used to track changes in revenues and costs associated with variations in hydroelectric generation, secondary prices, thermal fuel costs, and changes in power contract revenues and expenses.

CONCLUSIONS OF LAW

The Idaho Public Utilities Commission has jurisdiction over Avista Corporation dba Avista Utilities and its Application in Case Nos. AVU-E-09-01 and AVU-G-09-01 pursuant to Idaho Code, Title 61, and the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

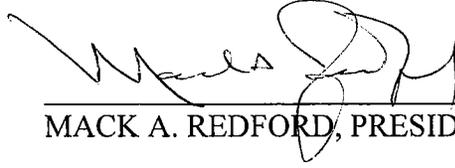
The Commission has authority under *Idaho Code* §§ 61-622 and 61-623 to suspend the rates which are the subject of this Application for a period of thirty (30) days plus five (5) months from the proposed effective date of February 23, 2009.

It is necessary to suspend the proposed rates for a period of thirty (30) days plus five (5) months from February 23, 2009, to allow the Commission sufficient time to hear the evidence to be presented in this matter and to consider and determine the issues presented in this Application.

ORDER

In consideration of the foregoing and as more particularly described above, IT IS HEREBY ORDERED that the proposed schedules of rates and charges for electric and natural gas service in Case Nos. AVU-E-09-01 and AVU-G-09-01 should be, and hereby are, suspended for a period of thirty (30) days plus five (5) months from February 23, 2009, or until such time as the Commission enters an Order accepting, rejecting or modifying the Application in this matter.

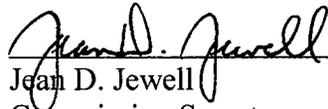
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 11th
day of February 2009.


MACK A. REDFORD, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


JIM D. KEMPTON, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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