

**Important Notice for  
Idaho Electric Customers**

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IDAHO PUBLIC  
UTILITIES COMMISSION

**Proposed Power Cost Adjustment (PCA) Increase  
Filed to be Effective October 1, 2010**

Avista has filed a request with the Idaho Public Utilities Commission (Commission) for the approval of a proposed PCA rate surcharge. If approved by the Commission, the surcharge would be effective October 1, 2010. The PCA is an annual rate adjustment to reflect differences between Avista's actual cost of generating and purchasing electric power to serve customers and the cost currently included in customer rates. The proposed surcharge is designed to recover additional power costs that the Company incurred during the twelve-month period ended June 30, 2010.

The proposed surcharge is 0.532¢ per kilowatt-hour applicable to all of the Company's electric rate schedules. The proposed surcharge will replace the existing surcharge of 0.344¢ per kilowatt-hour.

The proposed revenue increase that will result from the Company's proposal is approximately \$6.4 million or an overall increase of approximately 2.61%. The percentage increases will vary by rate schedule as shown below:

Residential Schedule 1	2.30%
General Service Schedules 11 & 12	1.91%
Large Gen Service Schedules 21 & 22	2.46%
Extra Large Gen Service Schedule 25	3.53%
Extra Large Gen Service Schedule 25P	3.83%
Pumping Service Schedules 31 & 32	2.34%
Street and Area Lights Schedules 41-49	0.81%

The variation in the percentage increase by rate schedule results from the proposed surcharge being spread on a uniform cents per kilowatt-hour basis.

Residential customers using an average of 1,000 kilowatt-hours per month would see their monthly bills increase from \$80.90 to \$82.78, an increase of \$1.88 per month, or 2.32%, excluding any changes from the general electric rate case currently under consideration by the Commission.

The Company's request 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. Copies of rate filings are also available on our website at [www.avistautilities.com](http://www.avistautilities.com) under "Energy Prices," "Rates and Tariffs."

Avista offers a number of programs and services to help customers manage their energy use and costs. Visit us at [www.avistautilities.com](http://www.avistautilities.com) for information on these programs which include Comfort Level Billing, bill payment options, automated payment service, assistance programs, conservation tips and energy efficiency rebates and incentives.