

AVU-5-08-03

RECEIVED

2008 AUG 18 AM 10:44

IDAHO PUBLIC
UTILITIES COMMISSION

AVISTA UTILITIES

Exhibit "B"

Notice to Public of Applicant's Proposed Tariffs

August 15, 2008

AVISTA UTILITIES
NOTICE OF IDAHO TARIFF CHANGE
(Natural Gas Service Only)

Notice is hereby given that the "Sheets" listed below of Tariff IPUC No. 27, covering natural gas service applicable to Idaho customers of Avista Utilities have been filed with the Idaho Public Utilities Commission (IPUC) in Boise, Idaho.

Eleventh Revision Sheet 150 canceling Tenth Revision Sheet 150
First Revision Sheet 150A canceling Original Sheet 150A and,
Eighth Revision Sheet 155 canceling Seventh Revision Sheet 155

Eleventh Revision Sheet 150 and First Revision Sheet 150A update the forward-looking cost of natural gas purchased for customer usage. Eighth Revision Sheet 155 updates the amortization rate used to refund or recover previous gas cost differences.

If the proposed tariffs are approved by the IPUC, total Company Idaho revenues will *increase* by approximately \$11.6 million per year, or about 14.2%.

This request is a Purchased Gas Cost Adjustment (PGA) that is filed annually to reflect changes in the cost of gas purchased to serve customers. Any increases or decreases resulting from these PGA filings directly result from the cost of gas purchased in the marketplace; Avista makes no additional profits from these rate changes.

A residential or small business customer served under Schedule 101 using an average of 65 therms per month can expect to see an average *increase* of approximately \$10.44 per month, or about 13.9%. Larger commercial customers served under Schedules 111 can expect to see an average *increase* of about 15.7, with the higher percentages due to lower base rates. However, actual customer decreases will vary based on therms consumed.

This filing requests an effective date of October 1, 2008.

Copies of the proposed tariff changes are available for inspection in the Company's offices or can be obtained by calling (509) 495-4067 or writing:

Avista Utilities
Attention: Ms. Patty Olsness
P.O. Box 3727
Spokane, WA. 99220-3727

August 15, 2008