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IDAHO PUBLIC
UTILITIES COMMISSION

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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)	MOTION FOR APPROVAL OF
AND NATURAL GAS CUSTOMERS IN THE)	STIPULATION AND
STATE OF IDAHO)	SETTLEMENT

COMES NOW, Avista Corporation ("Avista" or "Company") and the
Commission Staff, and hereby move the Commission for an Order accepting the
settlement Stipulation filed herewith. RP 56; 272; 274. This Motion is based on the
following:

1. On January 23, 2009, Avista filed an Application with the Commission for
authority to increase revenue from electric and natural gas service in Idaho by 12.8% and
3.0%, respectively. If approved, the Company's revenues for electric base retail rates

would have increased by \$31.2 million annually; Company revenues for natural gas service would have increased by \$2.7 million annually. The Company requested an effective date of February 23, 2009, for its proposed electric/gas rate increase. By Order No. 30728, dated February 11, 2009, the Commission suspended the proposed schedules of rates and charges for electric and natural gas service for a period of thirty (30) days plus five (5) months, from February 23, 2009, or until such time as the Commission entered an Order accepting, rejecting or modifying the Application in this matter.

2. Petitions to intervene in this proceeding were filed by Clearwater, Idaho Forest, CAPAI, ICAN, and the Conservation League. By various orders, the Commission granted these interventions. *See*, IPUC Order Nos. 30735, 30737, 30745, and 30772.

3. Public workshops for Avista customers were held on May 12, 2009, in Sandpoint, Idaho, and on May 13, 2009, in Lewiston, Idaho, for the purpose of explaining the Company's Application, and in order to provide an opportunity for customers to ask questions of Staff. Further public customer hearings are scheduled for June 16, 2009, in Moscow, Idaho and June 17, 2009, in Coeur d' Alene, Idaho. The technical hearing is scheduled to begin on June 29, 2009.

4. On May 29, 2009, Commission Staff, Clearwater, Idaho Forest and CAPAI submitted pre-filed direct testimony. Staff recommended in its pre-filed testimony an electric base revenue increase of \$8.62 million or 3.91%, and a natural gas base revenue increase of \$1.89 million or 2.06%. To offset these rate increases, Staff recommended that the electric Power Cost Adjustment (PCA) and the Purchase Gas Adjustment (PGA) be reduced.

5. Based on settlement discussions, the Parties whose signatures appear on the Stipulation have agreed to resolve and settle all of the issues in the case. A copy of the signed Stipulation evidencing that settlement is enclosed as Attachment 1.

6. The Parties recommend that the Commission grant this Motion and approve the Stipulation in its entirety, without material change or condition, pursuant to RP 274.

7. The Parties respectfully request that the Commission consider the Motion, the Stipulation, and the pre-filed testimony in support of the Stipulation at the time of the evidentiary hearings scheduled for June 29 through July 1, 2009.

8. As noted in the Stipulation, all of the Parties agree that the Stipulation is in the public interest and that all of its terms and conditions are fair, just and reasonable.

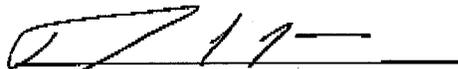
NOW, THEREFORE, the Parties respectfully request that the Commission issue a final order in Case Nos. AVU-E-09-01 and AVU-G-09-01:

1. Granting this Motion and accepting the Stipulation (Attachment 1), in its entirety, without material change or condition; and

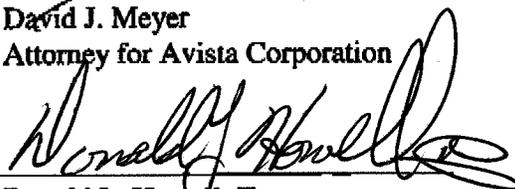
2. Authorizing the Company to implement revised tariff schedules designed to recover the additional annual electric and natural gas revenue from Idaho customers consistent with the terms of the Stipulation; and

3. Authorizing that revised tariff schedules be made effective August 1, 2009.

Respectfully submitted this 16th day of June, 2009.



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