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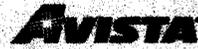
IDAHO PUBLIC
UTILITIES COMMISSION

AVISTA UTILITIES

Exhibit "B - 1"

Notice Mailed to Each Idaho Gas Customer
of Applicant's Proposed Tariff Change

May 18, 2009



Natural gas prices have decreased and so has your rate (for the second time this year.)

Because the cost of natural gas has gone down, Avista has filed a request with the Idaho Public Utilities Commission (IPUC) to reduce your natural gas rate. Effective June 1st, your natural gas rate will decrease an average of 6.7 percent.

This is the second time in 2009 that your natural gas rates have decreased. In January, they went down 4.7 percent.

Why rates are changing

Avista purchases the natural gas you use on the wholesale market and rates are typically adjusted once a year in the fall. That cost is passed on in rates without mark-up and makes up about 75 percent of your monthly bill. The wholesale market is volatile and unpredictable, but we monitor the market carefully and work hard to get the best prices for you. Because of lower wholesale natural gas prices during this past winter and early spring and the difficult economy, we requested these savings be passed on to you as soon as possible.

Residential and small commercial customers using an average of 65 therms per month will see a monthly bill reduction of \$5.26 per month, or 6.7 percent, for a new average monthly bill of \$72.97. Larger commercial customers will see an average decrease of 7.8 percent.

Did you know our natural gas rates are among the lowest in the region? Visit us at www.avistautilities.com to see how we compare.

Join us in a conversation

If wholesale gas prices remain relatively low, we hope to reduce natural gas rates again this fall. In the meantime, if you have questions, comments or want more information, we'd like to hear from you. Join us at www.avistautilities.com/conversation.