

Avista Corp.

1411 East Mission PO Box 3727
Spokane, Washington 99220-3727
Telephone 509-489-0500
Toll Free 800-727-9170

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IDAHO PUBLIC
UTILITIES COMMISSION

October 7, 2008

State of Idaho
Idaho Public Utilities Commission
Statehouse
Boise ID 83720

Attention: Jean D. Jewell, Secretary

RE: Case No. AVU-U-08-01
Order No. 30509

Ladies/Gentlemen:

Avista Corporation requests that the Commission amend Case No. AVU-U-08-01, granted on February 29, 2008, to increase the amount of securities authorized to be issued to \$550 million. Avista would also like to amend the parameters around the maximum interest rate and the tenor of the securities.

In Order No. 30509, the Commission authorized the Applicant to issue up to \$350 million of securities with a maximum interest rate of 7% and with terms of 10-31 years. The Applicant now requests that the authorized amount be increased to \$550 million with a maximum coupon rate of 8.5% and terms of 5-31 years.

The Applicant has issued, of the \$350,000,000 previously authorized, \$250,000,000 of First Mortgage Bonds. The 5.95% Series due 2018 of First Mortgage bonds which closed on April 3, 2008, leaves \$100,000,000 in aggregate principal amount of debt securities authorized pursuant to the current authorization. The Applicant has a substantial amount of capital expenditures in the coming years and this additional authority will allow the Applicant to meet those needs. Also, under the current unpredictable and volatile market environment the added flexibility these amendments add would allow the Applicant to access the debt markets when the opportunity arises.

A check in the amount of \$1,000.00, the maximum fee is coming under separate cover. Please do not hesitate to contact Paul Kimball at (509) 495-4584 should you need any additional information or have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Diane C. Thoren".

Diane C. Thoren
Assistant Treasurer