

Avista Corp.
1411 East Mission P.O. Box 3727
Spokane, Washington 99220-0500
Telephone 509-489-0500
Toll Free 800-727-9170



July 20, 2009

Public Utility Commission of Oregon
Attn: Filing Center
PO Box 2148
Salem, OR 97308-2148

**RE: UG-186 – In the Matter of the Application of AVISTA CORPORATION,
dba AVISTA UTILITIES, for a General Rate Revision**

In accordance with Oregon Administrative Rule 860-022-0017, Avista Corporation, dba Avista Utilities, respectfully submits the attached Affidavit of Deborah M. Simock Regarding Notice of General Rate Revision.

If you have any questions regarding this filing, please contact Patrick Ehrbar at (509) 495-8620.

Sincerely,

A handwritten signature in black ink that reads "Kelly Norwood". The signature is written in a cursive, flowing style.

Kelly Norwood
Vice President, State & Federal Regulation

Enclosure

c: See attached service list

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

UG-186

In the matter of the Application of)
AVISTA CORPORATION, DBA)
AVISTA UTILITIES for a General)
Rate Revision)

AFFIDAVIT OF
DEBORAH M. SIMOCK
REGARDING NOTICE OF
GENERAL RATE REVISION

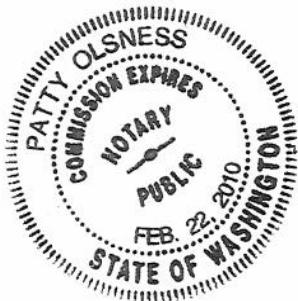
I, Deborah M. Simock, being first duly sworn on oath, depose and say:

1. My full name is Deborah M. Simock. I am a Communications Manager with Avista Corporation (Avista).
2. Avista filed with the Public Utility Commission of Oregon its Request for a General Rate Revision on June 25, 2009, Advice Letter 09-03-G.
3. Pursuant to OAR 860-022-0017, Avista caused to be published a display advertisement announcing the General Rate Revision on Wednesday, July 8, 2009, in the Medford Mail Tribune, the Grants Pass Daily Courier, the La Grande Observer, the Klamath Falls Herald and News, and the Roseburg News-Review. The ad size was 4 columns wide by 10 inches tall. A copy of that announcement is attached as Exhibit A.

Dated this 20th day of July, 2009.

Deborah M. Simock

SIGNED AND SWORN to before me this 20th day of July, 2009.



Patty Olsness
NOTARY PUBLIC in and for the State of
Washington, residing at Spokane.

Commission Expires: 2-22-10

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

UG-186

AFFIDAVIT OF DEBORAH M. SIMOCK
REGARDING NOTICE OF AVISTA CORPORATION'S
GENERAL RATE REVISION

EXHIBIT A



Why natural gas rates may be going up – and also going down.

Recently, Avista requested an increase in natural gas rates for our Oregon customers. We know that customers are concerned about energy costs, so we think it's important to explain why we requested this increase – and why your natural gas rates may be going down overall.

Why some costs are rising

On June 25, we filed a request to increase natural gas rates by an average of 11.6 percent, or \$14.2 million annually. If the request is approved by the Public Utility Commission of Oregon, a residential customer using an average of 49 therms per month would see a \$9.15 increase, or 12.5 percent, for a revised monthly bill of \$82.46.

We asked for this increase to recover the costs of capital projects that are needed to provide you with safe, reliable service. The rate request will also recover increases in operating expenses. This is only the third general rate increase since Avista began serving natural gas customers in Oregon in 1991.

Other costs are decreasing

If approved, the increase would likely take effect in the first half of 2010. But we also anticipate a rate decrease this fall. Here's why. Rates must cover the cost of delivering energy, but they also cover the wholesale cost of the natural gas itself – which has been going down.

If wholesale gas prices continue at current levels, we plan to request a significant rate reduction in late August. If approved, lower gas rates would go into effect in November, in time for the winter months.

Rates may go down overall

The good news is this: We expect the net result of these two requests will be a decrease in overall rates. This is in addition to a 4.1 percent rate decrease in November 2008.

Avista offers a wide range of options to help customers with energy costs, including energy assistance programs. For information on how we can help, call us at (800) 227-9187 or visit www.avistautilities.com/assistance.

For more information

Copies of our general rate filing are available at www.avistautilities.com/services/energypricing, or you can review the filing by visiting our headquarters at:

1411 E. Mission, Spokane, WA 99252-0001
(800) 227-9187, www.avistautilities.com

You can also view copies of the filing at one of our district offices located at:

580 Business Park Drive, Medford, OR 97504
456 Market Street, Klamath Falls, OR 97601
10201 S "F" Street, Island City, OR 97850
1404 Green Siding Road, Roseburg, OR 97471

This announcement is to provide you with general information about Avista's rate request and its effect on customers. The calculations and statements in this announcement are not binding on the PUC. For more information about the filings or for information about the time and place of any hearing, contact the PUC at:

Public Utility Commission of Oregon
550 Capitol Street N.E. Suite 215, Salem, OR 97301-2551
(800) 522-2402, www.puc.state.or.us

AFFIDAVIT OF PUBLICATION

In The Matter Of: AVISTA

Re: "Why natural gas rates may be"

This is to certify that the above advertising for AVISTA appeared in

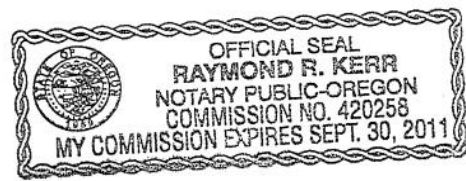
(paper) Medford Mail Tribune

on (date) Wed, July 8, 2009

David M. Lawrence
Signature

Sworn to before me this 8th day of July, 2009.

Raymond R. Kerr
Notary Public



AFFIDAVIT OF PUBLICATION

In The Matter Of: AVISTA

Re: "Why natural gas rates may be"

This is to certify that the above advertising for AVISTA appeared in

(paper) Grants Pass Daily Courier

on (date) July 8, 2009

number curran
Signature

Sworn to before me this 8th day of July, 2009.

Lenora A Bruce
Notary Public



AFFIDAVIT OF PUBLICATION

In The Matter Of: AVISTA

Re: "Why natural gas rates may be"

This is to certify that the above advertising for AVISTA appeared in

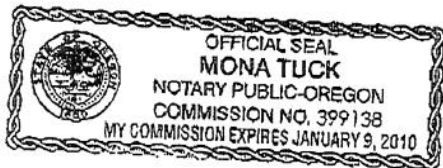
(paper) LA GRANDE OBSERVER

on (date) JULY 8, 2009

[Signature]
Signature

Sworn to before me this 8 day of July, 2009.

[Signature]
Notary Public



AFFIDAVIT OF PUBLICATION

In The Matter Of: AVISTA

Re: "Why natural gas rates may be"

This is to certify that the above advertising for AVISTA appeared in

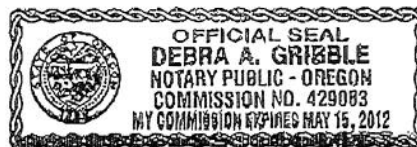
(paper) Herald and News

on (date) July 8, 2009

Julia K. Monks, Esq.
Signature

Sworn to before me this 15th day of July, 2009.

Debra A. Grubbe
Notary Public



Affidavit of Publication

The News-Review

OF DOUGLAS COUNTY

Roseburg, Oregon

ISSUED DAILY EXCEPT SATURDAY

STATE OF OREGON }
COUNTY OF DOUGLAS } ss.

I, SAM HOLLENBECK, being first duly sworn, depose and say that I am the Business Manager, of The News-Review, a newspaper of general circulation, as defined by ORS 193.010 and 193.020; printed and published at Roseburg in the aforesaid county and state; that the _____

Avita natural gas rates

_____ a printed copy of which is hereto annexed, was published in the entire issue of said newspaper for 1 successive and consecutive days in the following issue: _____

July 8, 2009

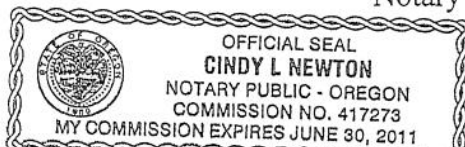
The fee actually charged by such newspaper for such publication is \$ 841.20.



Subscribed and sworn to before me this 8th day of July, 2009.



Notary Public of Oregon



Why natural gas rates and also going down

Recently, Avista requested an increase in know that customers are concerned about why we requested this increase – and why

Why some costs are rising

On June 25, we filed a request to increase \$14.2 million annually. If the request is approved, a residential customer using an average of 12.5 percent, for a revised monthly bill

We asked for this increase to recover the cost of providing you with safe, reliable service. The rate recovery covers our operating expenses. This is only the third general rate increase for customers in Oregon in 1991.

Other costs are decreasing

If approved, the increase would likely take into account we anticipate a rate decrease this fall. Here's why: energy, but they also cover the wholesale gas prices going down.

If wholesale gas prices continue at current levels, we expect a reduction in late August. If approved, low gas prices in-time for the winter months.

Rates may go down overall

The good news is this: We expect the net result to be a reduction in overall rates. This is in addition to a 4.1 percent

Avista offers a wide range of options to help you with assistance programs. For information on our assistance programs, visit www.avistautilities.com/assistance.

For more information

Copies of our general rate filing are available at www.avistautilities.com/services/energypricing, or you can review the filing by visiting our headquarters at:

1411 E. Mission, Spokane, WA 99252-0001
(800) 227-9187, www.avistautilities.com

You can also view copies of the filing at one of our district offices located at:

580 Business Park Drive, Medford, OR 97504
456 Market Street, Klamath Falls, OR 97601
10201 S "F" Street, Island City, OR 97850
1404 Green Siding Road, Roseburg, OR 97471

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served Avista's Affidavit of Deborah M. Simock Regarding Notice of General Rate Revision, in Docket UG-186, upon the parties listed below by mailing a copy thereof, postage prepaid and/or by electronic mail.

W

**CABLE HUSTON BENEDICT
HAAGENSEN & LLOYD LLP**

CHAD M STOKES

1001 SW 5TH - STE 2000
PORTLAND OR 97204
cstokes@cablehuston.com

W

CABLE HUSTON BENEDICT, ET AL

TOMMY A BROOKS

1001 SW FIFTH AVE, STE 2000
PORTLAND OR 97204-1136
tbrooks@cablehuston.com

W

**CITIZEN'S UTILITY BOARD OF
OREGON**

G. CATRIONA MCCrackEN
LEGAL COUNSEL/STAFF ATTY

610 SW BROADWAY - STE 308
PORTLAND OR 97205
catriona@oregoncub.org

W

**CITIZENS' UTILITY BOARD OF
OREGON**

ROBERT JENKS

610 SW BROADWAY STE 308
PORTLAND OR 97205
bob@oregoncub.org

DEPARTMENT OF JUSTICE

JASON W JONES
ASSISTANT ATTORNEY GENERAL

REGULATED UTILITY & BUSINESS
SECTION
1162 COURT ST NE
SALEM OR 97301-4096
jason.w.jones@state.or.us

W

**NORTHWEST INDUSTRIAL GAS
USERS**

PAULA E PYRON
EXECUTIVE DIRECTOR

4113 WOLF BERRY CT
LAKE OSWEGO OR 97035-1827
ppyron@nwigu.org

**OREGON PUBLIC UTILITY
COMMISSION**

CARLA OWINGS
REVENUE REQUIREMENTS ANALYST

PO BOX 2148
SALEM OR 97308-2148
carla.m.owings@state.or.us

Dated at Spokane, Washington this 20th day of July, 2009



Patty Olsness