



Avista Requests Natural Gas Price Decrease in Idaho

08/27/15

Annual Price Adjustment Would Take Effect Nov. 1, 2015

SPOKANE, WA -- (Marketwired) -- 08/27/15 -- Avista (NYSE: AVA) customers in Idaho could see an overall 14.5 percent decrease in their natural gas rates on Nov. 1, 2015 if the Idaho Public Utilities Commission (IPUC or Commission) approves the company's annual Purchased Gas Cost Adjustment (PGA) filed today.

If the request is approved, Avista residential customers using an average of 61 therms a month could expect their bill to decrease by \$7.94, or 13.4 percent, for a revised monthly bill of \$51.28 beginning Nov. 1, 2015. Avista's natural gas revenues would decrease by \$10.3 million, or approximately 14.5 percent. The requested natural gas rate change by customer segment is as follows:

General Service - Firm - Schedule 101 - Residential & Small Commercial	-13.4%
Large General Service - Firm - Schedules - Commercial 111 & 112	-18.0%
High Annual Load Factor Large - Interruptible Service Schedules 132	-24.6%

Avista does not mark up the cost of natural gas purchased to meet customer needs, so the filing does not increase or decrease company earnings.

PGAs are filed each year to balance the actual cost of wholesale natural gas purchased by Avista to serve customers with the amount included in rates. This includes the natural gas commodity cost as well as the cost to transport natural gas on interstate pipelines to Avista's local distribution system. The primary drivers for the company's requested decrease include a reduction in natural gas commodity costs due to a warmer than normal winter, an abundance of natural gas held in storage, and continued high production levels of natural gas.

About 50 percent of an Avista natural gas customer's bill is the combined cost of purchasing natural gas on the wholesale market and transporting it to Avista's system. These costs fluctuate up and down based on market prices. The costs are not marked up by Avista. The remaining 50 percent covers the cost of delivering the natural gas -- the equipment and people needed to provide safe and reliable service.

Rate Application Procedure

Avista's applications are proposals, subject to public review and a Commission decision. Copies of the applications are available for public review at the offices of both the Commission and Avista, and on the Commission's homepage (www.puc.idaho.gov). Customers may file with the Commission written comments related to Avista's filings. Customers may also subscribe to the Commission's RSS feed (<http://www.puc.idaho.gov/rssfeeds/rss.htm>) to receive periodic updates via e-mail about the case. Copies of rate filings are also available on Avista's website at www.avistautilities.com/rates.

About Avista Corp.

Avista Corp. is an energy company involved in the production, transmission and distribution of energy as well as other energy-related businesses. Avista Utilities is our operating division that provides electric service to 369,000 customers and natural gas to 329,000 customers. Its service territory covers 30,000 square miles in eastern Washington, northern Idaho and parts of southern and eastern Oregon, with a population of 1.6 million. Alaska Energy and Resources Company is an Avista subsidiary that provides retail electric service in the city and borough of Juneau, Alaska, through its subsidiary Alaska Electric Light and Power Company. Avista stock is traded under the ticker symbol "AVA." For more information about Avista, please visit www.avistacorp.com.

This news release contains forward-looking statements regarding the company's current expectations. Forward-looking statements are all statements other than historical facts. Such statements speak only as of the date of the news release and are subject to a variety of risks and uncertainties, many of which are beyond the company's control, which could cause actual results to differ materially from the expectations. These risks and uncertainties include, in addition to those discussed herein, all of the factors discussed in the company's Annual Report on Form 10-K for the year ended Dec. 31, 2014 and the Quarterly Report on Form 10-Q for the quarter ended June 30, 2015.

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