



Avista Reaches Settlement in Oregon Natural Gas Rate Request

05/17/17

If approved, rate adjustment would be effective Oct. 1, 2017

SPOKANE, WA -- (Marketwired) -- 05/17/17 -- Avista (NYSE: AVA) and all other parties involved in the company's natural gas general rate filing have reached a settlement agreement that, if approved by the Public Utility Commission of Oregon (PUC), would conclude the proceedings for the general rate request filed on Nov. 30, 2016. If the settlement agreement is approved, new rates would take effect on Oct. 1, 2017.

"We are pleased that all parties were able to reach a joint recommendation to the commission that is fair and reasonable. The outcome is a settlement that, if approved by the commission, represents positive outcomes for our customers, the company and our shareholders," said Dennis Vermillion, Avista Corp. senior vice president and president of Avista Utilities.

The settlement proposes that, effective Oct. 1, 2017, Avista would receive an increase in rates designed to increase its annual billed revenues by 3.7 percent or \$3.5 million.

The proposed settlement agreement reflects a 9.4 percent return on equity (ROE) and a 50 percent equity layer. The rate of return is 7.35 percent.

Residential Customer Bill

If the settlement is approved by the PUC, a residential customer using an average of 47 therms per month would see a \$1.57 per month increase, or 2.8 percent, for a revised monthly bill of \$57.75. The proposed monthly bill includes an increase in the monthly basic charge from \$9.00 to \$10.00.

Avista's Original Request

Avista's original request filed with the PUC on Nov. 30, 2016 included an increase in natural gas base rates for customers of 9.0 percent or \$8.5 million and was based on a proposed rate of return of 7.83 percent with a common equity ratio of 50 percent and a 9.9 percent return on equity. In Avista's reply testimony filed April 6, 2017, the company revised its request from \$8.5 million to \$6.7 million.

The majority of Avista's general rate request filing was related to the need to expand and replace the facilities used to serve customers. This included, among other things, increased investment to replace certain natural gas service pipe, completion of a pipeline reinforcement project and rerouting of a high pressure pipeline.

Avista serves approximately 99,000 customers in Oregon.

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 the operating division that provides electric service to 379,000 customers and natural gas to 342,000 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, 2016 and the Quarterly Report on Form 10-Q for the quarter ended March 31, 2017.

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