



Avista reaches partial settlement in Oregon rate case

07/03/19

The remaining elements of original filing will be addressed as the case progresses

SPOKANE, Wash., July 03, 2019 (GLOBE NEWSWIRE) -- Avista(NYSE: AVA) and all of the parties to the Company's natural gas general rate case filing have reached agreement on certain issues, and a partial settlement agreement has been filed with the Public Utility Commission of Oregon (PUC) for its consideration.

The partial settlement includes agreement among the parties on the cost of capital and certain smaller adjustments related to employee benefits and other expenses. In addition, the parties agreed to a future independent review of interest rate hedging practices, with any such recommendations based on the results and findings in the final report only applicable on a prospective basis, and would not apply to any prior Avista interest rate hedging activity.

The agreed-upon rate of return (ROR) on rate base is 7.24%, with a common equity ratio of 50% and a 9.4% return on equity (ROE), both of which represent a continuation of existing authorized levels. The original request was based on a proposed ROR of 7.55% with a common equity ratio of 50% and a 9.9% ROE.

The agreement on the elements in the partial settlement results in a reduction in the Company's originally filed revenue increase request. Avista's original natural gas revenue increase request is reduced from \$6.7 million to \$5.36 million.

The remaining issues to be resolved in the case include, among other things, capital investments in infrastructure improvements, as well as the recovery of increased utility operating costs. Prior to evidentiary hearings before the PUC, the parties are scheduled to meet again in an effort to resolve the remaining issues.

"The proposed partial settlement agreement moves us one step closer to arriving at new natural gas rates in Oregon that are fair and reasonable for our customers, the Company and our shareholders," said Dennis Vermillion, Avista President. "It supports Avista's efforts to continue to make capital investments in our utility infrastructure and systems so we can continue to provide the reliable energy our customers expect."

In addition to Avista, the parties to the partial settlement agreement include the Staff of the Public Utility Commission of Oregon (Staff), Oregon Citizens' Utility Board (CUB) and the Alliance of Western Energy Consumers (AWEC). A recommendation to the Commission by the Staff to approve the partial settlement is not binding on the PUC itself.

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 395,000 customers and natural gas to 362,000 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, 2018 and the Quarterly Report on Form 10-Q for the quarter ended March 31, 2019.

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Contact:

Media: Casey Fielder (509) 495-4916, casey.fielder@avistacorp.com

Investors: John Wilcox (509) 495-4171, john.wilcox@avistacorp.com

Avista 24/7 Media Access (509) 495-4174



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