



Parties Reach Settlement in Avista's Natural Gas Rate Case in Washington

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Proposal Would Reduce Avista's Original Rate Request

SPOKANE, Wash., Oct 15, 2004 /PRNewswire-FirstCall via COMTEX/ -- Avista Corp. (NYSE: AVA), the staff of the Washington Utilities and Transportation Commission (WUTC) and the Northwest Industrial Gas Users have reached a settlement agreement today that would provide early resolution to Avista's Washington general natural gas case, which the company filed on Aug. 20, 2004.

(Logo: <http://www.newscom.com/cgi-bin/prnh/20040128/SFW031LOGO>)

In the stipulation, three of the five parties in the case agree to a revenue increase of \$5.4 million, or 3.9 percent, with a requested effective date of Nov. 1, 2004. Avista had requested an \$8.6 million, or 6.2 percent, increase in natural gas revenues in its original filing in August. The agreement is subject to the approval of the WUTC. A hearing is scheduled for Oct. 22, 2004, for the signing parties to present the settlement to the WUTC. A hearing to take comments from customers is scheduled for Oct. 28, 2004.

Implementation of the rate adjustment on Nov. 1, 2004, would correspond with the effective date of the company's pending purchased gas cost adjustment (PGA) in order to effect only one change to customer billing.

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 a company operating division that provides service to 325,000 electric and 300,000 natural gas customers in four western states. Avista's non-regulated subsidiaries include Avista Advantage and Avista Energy. Avista Corp.'s stock is traded under the ticker symbol "AVA." For more information about Avista, please visit www.avistacorp.com.

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SOURCE Avista Corp.

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