



Avista Receives Approval to Recover Increasing Energy and System Upgrade Costs

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Washington Utilities and Transportation Commission approves all-party settlement agreement

SPOKANE, Wash., Nov. 19, 2010 /PRNewswire via COMTEX/ --

Avista (NYSE: AVA) received approval today from the Washington Utilities and Transportation Commission (WUTC) on the all-party settlement agreement, concluding the company's electric and natural gas rate request in Washington. New customer rates will be effective Dec. 1, 2010. Avista made the requests to the WUTC on March 23, 2010 followed by an all-party settlement agreement on Aug. 25, 2010.

(Logo: <http://photos.prnewswire.com/prnh/20091223/AVISTALOGO>)

"Avista is committed to providing our customers with the safe, reliable energy they need at a fair price," said Avista Chairman, President and Chief Executive Officer Scott L. Morris. "We are pleased the Commission recognized the need for our retail rates to reflect the increased costs necessary to operate and maintain our energy delivery system."

The new prices reflect an overall electric increase of 7.2 percent in billed rates and a natural gas increase of 3.2 percent in billed rates. These rates are designed to increase annual electric revenues by \$29.5 million and natural gas annual revenues by \$4.6 million. The approved overall rate of return is 7.91 percent with a common equity ratio of 46.5 percent and a 10.2 percent return on equity.

When the new prices become effective, a residential customer will see an increase of \$5.62, or 7.8 percent, for each 1,000 kilowatt-hours of electricity used per month. A residential natural gas customer will see an increase of \$2.17, or 3.6 percent, for each 69 therms used per month. Avista serves more than 234,000 electric and nearly 147,000 natural gas customers in Washington.

Funding for Avista's Low-Income Ratepayer Assistance Program (LIRAP), which provides energy assistance for qualifying customers, will increase by 7.4 percent or \$0.71 a month for electric customers and 2.9 percent or \$0.62 a month for natural gas customers. With this increase, the annual funding level for electric low-income customers will be approximately \$3.3 million and approximately \$1.7 million for natural gas customers.

The approval will also allow Avista to increase funding for its low-income weatherization program by \$500,000, making a total of \$2 million in assistance available to help qualifying customers improve the energy efficiency of their homes.

Information on energy assistance programs and energy efficiency rebates and incentives for customers is available at www.avistautilities.com.

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 357,000 customers and natural gas to 316,000 customers. Our service territory covers 30,000 square miles in eastern Washington, northern Idaho and parts of southern and eastern Oregon, with a population of 1.5 million. Avista's primary, non-regulated subsidiary is Advantage IQ. Our stock is traded under the ticker symbol "AVA." For more information about Avista, please visit www.avistacorp.com.

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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, 2009, and the Quarterly Report on Form 10-Q for the quarter ended Sept. 30, 2010.

SOURCE Avista Corp.