



## **Avista Receives Approval in Washington Electric and Natural Gas Rate Requests**

12/17/11

### **Washington Utilities and Transportation Commission Approves Multi-Party Settlement Agreement, Including Increase in Energy Assistance Funding for Customers**

SPOKANE, WA, Dec 16, 2011 (MARKETWIRE via COMTEX) --Avista (NYSE: AVA) received approval today from the Washington Utilities and Transportation Commission (UTC) on the multi-party settlement agreement, concluding the company's electric and natural gas rate requests in Washington. New customer rates will be effective Jan. 1, 2012. Avista made the requests to the UTC on May 16, 2011, followed by a multi-party settlement agreement on Sept. 30, 2011.

"Energy impacts every aspect of our lives. It's our job to make sure customers can depend on having energy when they need it and that requires a reliable energy delivery system," said Dennis Vermillion, Avista Corp. senior vice president and president of Avista Utilities. "We are pleased the Commission recognized the need for retail rates to reflect the increased costs necessary to operate our system."

The approved rates are designed to provide an additional \$20.0 million in annual electric revenue and \$3.75 million in natural gas annual revenues to recover, among other things, increased investment in Avista's energy system. The new prices reflect an overall electric increase of 4.5 percent in billed rates and a natural gas increase of 2.5 percent in billed rates.

Effective Jan. 1, 2012, a residential customer using an average of 977 kilowatt-hours of electricity a month would see an increase of \$3.02, or 4.0 percent, for a revised monthly bill of \$78.00. A residential natural gas customer using an average of 67 therms a month would see a \$1.76, or 2.8 percent, increase a month for a revised monthly bill of \$64.63. Avista serves more than 234,000 electric and nearly 147,000 natural gas customers in Washington.

Additional annual funding of \$550,000 in direct energy bill payment assistance for limited income and senior customers will be available as a result of the UTC approval. The increase includes \$370,000 in new funding for Avista's Low Income Rate Assistance Program (LIRAP), plus \$180,000 in reallocated funds from the utility's conservation education program. In total, annual funding available for the LIRAP program to assist qualifying customers would be approximately \$3.6 million for electric customers and approximately \$1.8 million for natural gas customers. The LIRAP program is funded through a separate tariff.

Information on energy assistance programs and energy efficiency rebates and incentives for customers is available at [www.avistautilities.com](http://www.avistautilities.com).

The UTC has requested a more detailed breakdown of executive compensation for informational purposes. Avista will provide the requested information by the February 29, 2012, deadline.

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 317,000 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 Ecova, an energy and sustainability management company with more than 500 multi-site commercial and utility customers, representing more than 450,000 sites. Our stock is traded under the ticker symbol "AVA." For more information about Avista, please visit [www.avistacorp.com](http://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, 2010 and the Quarterly Report on Form 10-Q for the quarter ended Sept. 30, 2011.

#### **Contact:**

Debbie Simock  
(509) 495-8031  
Email Contact

#### **Investors:**

Jason Lang  
(509) 495-2930  
Email Contact

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

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