



Avista Requests Natural Gas Rate Increase for Oregon Customers in Annual Cost Adjustment Filing

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Request Reflects Change in Costs for Natural Gas Commodity

SPOKANE, WA -- (Marketwired) -- 07/31/14 -- Avista's (NYSE: AVA) approximately 96,000 customers in Oregon could see an overall increase of 10.4 percent in their natural gas rates effective Nov. 1, 2014, if the Public Utility Commission of Oregon (PUC) approves the company's annual Purchased Gas Cost Adjustment (PGA) and related filings made today.

If the requests are approved, Avista residential customers using an average of 47 therms a month could expect their bill to increase by \$5.45, or 9.7 percent, for a revised monthly bill of \$61.42 beginning Nov. 1, 2014. Avista's natural gas revenues would increase by \$9.6 million to cover the increased natural gas costs. The company does not mark up the cost of natural gas purchased to meet customer needs, so there is no impact on company earnings.

PGAs are filed each year to balance the actual cost of wholesale natural gas purchased by Avista to serve customers with the amount included in rates. This includes the natural gas commodity cost as well as the cost to transport natural gas on interstate pipelines to Avista's local distribution system. The primary driver for the company's requested increase is related to increased wholesale natural gas prices which were caused, in part, by a colder than normal winter throughout the United States. The colder than normal winter led to an increase in overall natural gas demand and a heavy reliance on natural gas storage reserves. The cold weather and increased demand put upward pressure on natural gas prices during the winter, and currently, as natural gas companies are replenishing their natural gas storage facilities.

In addition to the PGA request, Avista also made two related administrative filings today with the PUC related to demand side management and intervenor funding.

About 55 percent of an Avista natural gas customer's bill is the combined cost of purchasing natural gas on the wholesale market and transporting it to Avista's system. These costs fluctuate up and down based on market prices. The costs are not marked up by Avista. The remaining 45 percent covers the cost of delivering the natural gas -- the equipment and people needed to provide safe and reliable service.

To help customers proactively manage their energy use, Avista offers a number of energy efficiency programs, energy-saving information, rebates and incentives. Avista also provides energy assistance programs and payment options for qualifying customers. Information about these customer programs and options is available at www.avistautilities.com.

About Avista

Avista Corp. is an energy company involved in the production, transmission and distribution of energy as well as other energy-related businesses. [Avista Utilities](http://www.avistautilities.com) is our operating division that provides electric service to 367,000 customers and natural gas to 326,000 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. 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. Our 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, 2013 and the Quarterly Report on Form 10-Q for the quarter ended March 31, 2014.

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