



## Avista Requests Recovery of Costs for Providing Service in Oregon

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### Capital Investments in Infrastructure and Technology Drive Request for Rate Increase

SPOKANE, WA -- (Marketwired) -- 09/02/14 -- Capital investments in natural gas infrastructure and technology led Avista (NYSE: AVA) to file a request today with the Public Utility Commission of Oregon (PUC) to increase natural gas base rates for customers by an overall 9.3 percent.

The request is designed to produce approximately \$9.14 million in additional natural gas revenue and is based on a proposed rate of return of 7.77 percent with a common equity ratio of 51 percent and a 9.9 percent return on equity.

If the general rate request is approved by the PUC, a residential customer using an average of 47 therms a month would see a \$5.78 a month increase, or 10.3 percent, for a revised monthly bill of \$61.75. The revised monthly bill includes a proposed increase in the monthly basic charge from \$8.00 to \$10.00.

Avista serves approximately 96,000 customers in Oregon. The PUC has up to 10 months to review Avista's request.

"We are continuing to invest in our aging infrastructure to expand and replace the facilities and equipment we use every day to serve our customers. This includes, among other things, increased investment to replace certain natural gas service pipe and to update the technology that is the backbone of our customer information system," said Dennis Vermillion, president of Avista Utilities. "We also recognize the realities of rising costs for our customers and continue to maximize efficiencies throughout the company and manage our costs, while maintaining the safe and reliable delivery of natural gas to our customers."

On average, about 55 percent of an Avista bill for Oregon customers is the combined costs of purchasing natural gas on the wholesale market and transporting it to our system for delivery to customers. The remaining 45 percent is related to the ownership and operating costs of Avista's delivery system to provide safe, reliable service to all customers, while meeting mandatory state and federal requirements.

As required by the PUC, Avista filed its annual Purchased Gas Cost Adjustment (PGA) in July 2014. PGAs are filed each year to update the actual cost of wholesale natural gas purchased by Avista to serve customers with the amount included in rates. The PGA filing is separate from the general rate request and does not increase or decrease the company's earnings.

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](http://www.avistautilities.com).

#### **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](http://www.avistautilities.com) is our operating division that provides electric service to 365,000 customers and natural gas to 325,000 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 1.5 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](http://www.alaskapower.com). Avista 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, 2013 and the Quarterly Report on Form 10-Q for the quarter ended June 30, 2014.

Contact:

Media:

Casey Fielder  
(509) 495-4916

[casey.fielder@avistacorp.com](mailto:casey.fielder@avistacorp.com)

Investors:

Jason Lang  
(509) 495-2930

[jason.lang@avistacorp.com](mailto:jason.lang@avistacorp.com)

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

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