



Avista Receives Approval of Settlement Increasing Washington Electric and Natural Gas Rates

11/26/14

New Rates Will Take Effect Jan. 1, 2015

SPOKANE, WA -- (Marketwired) -- 11/26/14 -- Avista (NYSE: AVA) received approval, with minor changes, from the Washington Utilities and Transportation Commission (Commission or UTC) on the all-party settlement agreement that was filed on Aug. 18, 2014, concluding the company's electric and natural gas rate requests filed on Feb. 4, 2014. New rates will take effect on Jan. 1, 2015.

The approved rates are designed to increase annual electric base revenues by 2.5 percent or \$12.3 million, inclusive of a \$5.3 million November 2014 power supply update as required in the settlement agreement. Approved natural gas rates are designed to increase annual base revenues by 5.6 percent or \$8.5 million.

"The Commission's decision represents positive outcomes for our customers, the company and our shareholders," said Dennis Vermillion, Avista Corp. senior vice president and president of Avista Utilities. "It supports Avista's efforts to continue to make key capital investments in our utility infrastructure as well as recover the operating costs of serving our customers."

Low Income Rate Assistance Program (LIRAP)

Recognizing the impact of rising prices on customers, especially limited income and senior customers, the Commission conditioned its approval of the settlement on doubling the proposed increase in funding available for Avista's Low Income Rate Assistance Program (LIRAP) to \$400,000 for electric LIRAP funding and \$428,000 for natural gas LIRAP funding. In total, annual funding available for LIRAP will be approximately \$4.4 million for electric customers and approximately \$2.3 million for natural gas customers. LIRAP provides direct energy bill assistance for limited income and senior customers. LIRAP is funded through a separate tariff. The parties to the settlement were also directed to discuss modifications and additions to LIRAP and submit proposals to the Commission by June 2015.

Avista serves more than 241,000 electric and nearly 152,000 natural gas customers in Washington.

Additional information is available at www.avistautilities.com/warates.

To assist customers in managing their energy bills, Avista offers services for customers such as comfort level billing, payment arrangements and Customer Assistance Referral and Evaluation Services (CARES), which provide assistance to special-needs customers through referrals to area agencies and churches for help with housing, utilities, medical assistance and other needs. To learn more, visit www.avistautilities.com. There, customers can also find information on energy efficiency rebates and incentives, as well as online tools for managing energy use.

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 368,000 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.

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 Sept. 30, 2014.

Contact:

Media:

Casey Fielder
(509) 495-4916
casey.fielder@avistacorp.com

Investors:

Jason Lang
(509) 495-2930
jason.lang@avistacorp.com

Avista 24/7 Media Access

(509) 495-4174

Source: Avista Corp.