



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

07/29/16

Request Reflects Change in the Wholesale Cost of Natural Gas

SPOKANE, WA -- (Marketwired) -- 07/29/16 -- Avista's (NYSE: AVA) approximately 98,000 customers in Oregon would see an overall decrease of 7.4 percent in their natural gas rates effective Nov. 1, 2016, if the Public Utility Commission of Oregon (PUC) approves the company's annual Purchased Gas Cost Adjustment (PGA) and related filings.

If the requests are approved, Avista residential customers using an average of 46 therms per month could expect their bill to decrease by \$4.09, or 6.9 percent, for a revised monthly bill of \$55.12 beginning Nov. 1, 2016. Avista's natural gas revenues would decrease by \$7.4 million. 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 retail 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 decrease is a reduction in natural gas commodity costs due to a warmer than normal winter, an abundance of natural gas held in storage, and continued high production levels of natural gas.

In addition to the PGA request, Avista filed four smaller rate adjustments related to demand side management program funding, intervenor funding, and other unamortized residual balances. The net effect of the four adjustments is a decrease of \$0.1 million, or 0.1 percent.

About 40 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 60 percent covers the cost of delivering the natural gas -- the equipment and people needed to provide safe and reliable service.

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](#) is our operating division that provides electric service to 375,000 customers and natural gas to 335,000 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 1.6 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](#). 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, 2015 and the Quarterly Report on Form 10-Q for the quarter ended March 31, 2016.

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Source: Avista Corp.