



Avista Affirms Earnings Guidance, Reports Weather Data

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SPOKANE, Wash., Jan. 17 /PRNewswire-FirstCall/ -- Despite warmer-than-normal temperatures and below-normal snowpack conditions, Avista Corp. (NYSE: AVA) today reaffirmed its 2002 consolidated corporate earnings outlook of between \$0.60 to \$0.70 per diluted share and its 2003 consolidated corporate earnings outlook of between \$0.80 to \$1.00 per diluted share. Both guidance ranges reflect corporate earnings before the effects of cumulative changes in accounting principles.

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With dryer-than-normal weather impacting the region's seasonal outlook, Avista is reporting preliminary snowpack for the Clark Fork River basin at 60 percent of normal, with projected runoff at 66 percent of normal. Approximately 80 percent of company-owned hydro generation is on the Clark Fork River. The Spokane River snowpack is 65 percent of normal and projected runoff is expected to be 68 percent of normal. These forecasts assume a trend toward normal precipitation through April 1, when the current snow accumulation season ends.

Under the energy recovery mechanism (ERM) in Washington established in 2002, Avista Utilities absorbs the expense or receives the benefit from the first \$9 million of power costs that differ from those in base rates for the calendar year 2003. During the first quarter of 2003, Avista Utilities expects to absorb the entire \$9 million, which has already been factored into the company's outlook and is due primarily to higher fuel costs. For the balance of 2003, 90 percent of any increased power costs will be deferred for future recovery.

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 a company operating division that provides electric and natural gas service to customers in four western states. Avista's non-regulated affiliates include Avista Advantage, Avista Labs and Avista Energy. Avista Corp.'s stock is traded under the ticker symbol "AVA" and its Internet address is www.avistacorp.com.

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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, 2001 and Form 10-Q for the quarters ended March 31, June 30, and Sept. 30, 2002. SOURCE Avista Corp.

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