



Avista Utilities Announces Plans for Improving Transmission Reliability

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SPOKANE, Wash., Jan 08, 2004 /PRNewswire-FirstCall via Comtex/ -- Avista Utilities, an operating division of Avista Corp. (NYSE: AVA), today announced it has completed site-selection plans for its Palouse-area transmission project, which is part of the company's overall plan to upgrade transmission lines throughout its service area. The site selection follows six months of public meetings and input gathering from citizens, community groups and local officials.

(Photo: <http://www.newscom.com/cgi-bin/prnh/20040108/SFTH095>

<http://www.newscom.com/cgi-bin/prnh/19990629/AVALOGO>)

"The Palouse project will greatly improve the reliability of both the regional and local transmission system and allow us to better serve all of our customers," said David James, Avista Utilities project manager.

Two-Phase Project

Phase One will upgrade and increase the capacity of the existing 50-year-old, 35-mile transmission line between Avista's Shawnee and Rosalia substations. In addition, all wood poles will be replaced with stronger steel poles. Planning is underway now to ensure there will be no service disruptions and minimal inconvenience to farm operators and property owners during this project. Construction of this transmission line is scheduled to begin in 2005.

Phase Two will build an east-west link between the Shawnee-Rosalia line and the parallel Benewah-Moscow line. Connecting these two lines will help ensure electric transmission reliability, and the additional connection will serve as a backup between the Benewah and Shawnee substations.

"These types of improvement projects are essential to maintaining the reliability of the Northwest's power grid," said Brian Silverstein, manager of transmission network planning for the Bonneville Power Administration.

The Evaluation Process

During the past two months, five alternate routes for the new transmission corridor for the east-to-west link were carefully evaluated. The planning and discussions were centered on the five key criteria Avista applies to transmission line projects. These criteria are to:

- ensure the project benefits both system reliability and customer needs;
- use existing transmission corridors and line combinations whenever practical;
- ensure the cost of the project does not outweigh customer benefits;
- minimize impacts to farming and other landowner property uses;
- avoid, when possible, routes next to towns, housing, schools and airports.

The majority of the five routes evaluated did not meet these five key criteria. One route was rejected because it would have been too close to the community of Waverly. Another route was rejected because it would not have met the reliability standards established by the North American Electric Reliability Council and Western Electricity Coordinating Council.

The New East-West Transmission Corridor

After reviewing all of the options, as well as considering community input and project criteria, Avista has identified the area for the proposed east-west corridor. To connect the Shawnee-Rosalia and the Benewah-Moscow parallel lines, Avista is planning to:

- rebuild the existing transmission line from the Benewah Substation west and south along 11 miles of existing 115 kV transmission line to the Spokane and Whitman counties' border;
- build a new transmission line for approximately 14 miles along the Spokane/Whitman County boundary to the intersection of the Shawnee-Rosalia line.

In the coming weeks, Avista will meet with landowners along this east-west line corridor, as well as with stakeholder groups in Spokane and Whitman Counties.

"Reliable electricity is crucial to our region's economic development, and we support Avista's efforts to improve their system," said Whitman County Commissioner Greg Partch.

Additional details and updates on the project will be available on the Avista Web site: www.avistautilities.com/transmission/palouse.

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 subsidiaries include Avista Advantage 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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NOTE: A route map is attached and will be available for download from the Web address listed above.

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