



Washington Regulators Rule on Avista's Settlement Agreement

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New Rates Become Effective Today But Are Subject to Refund

SPOKANE, Wash., Nov. 2 /PRNewswire-FirstCall/ -- Today, the Washington Utilities and Transportation Commission (WUTC) conditionally accepted a revenue increase from the settlement agreement filed on Oct. 15, 2004, by the staff of the WUTC, the Northwest Industrial Gas Users and Avista Corp (NYSE: AVA). Avista filed its natural gas general rate increase request on Aug. 20, 2004, and the settlement agreement was supported by three of the five parties in the case.

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The WUTC's order provides Avista with increased natural gas rates designed to produce a revenue increase of \$5.4 million, or 3.9 percent beginning Nov. 2, 2004. Originally, the company had requested an \$8.6 million, or 6.2 percent, increase in natural gas revenues.

The WUTC approved the revenue increase on a "subject to refund" basis and has deferred its final decision on the settlement agreement itself until the remaining two non-signing parties have had the opportunity to further review the case. The WUTC established a procedural schedule that would result in a final order on the settlement agreement in the first quarter of 2005. If the WUTC's final order in the case were to result in a revenue increase less than that implemented on Nov. 2, Avista would refund the difference to customers.

Under the new rates, the monthly bill for a residential natural gas customer using an average of 78 therms of natural gas would increase \$2.72, or about four percent. The monthly basic charge for residential natural gas service increased from \$5 to \$5.50.

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 service to 325,000 electric and 300,000 natural gas 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." For more information about Avista, please visit www.avistacorp.com.

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SOURCE Avista Corp.

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CO: Avista Corp.; Washington Utilities and Transportation Commission; WUTC;
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ST: Washington

IN: OIL UTI

SU: LAW

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