



Avista Files License Applications for Spokane River Hydro Projects

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On-time filing begins FERC phase of relicensing process

SPOKANE, Wash., Aug. 1 /PRNewswire-FirstCall/ -- Avista Corp. (NYSE: AVA) has submitted its Spokane River hydroelectric license applications to the Federal Energy Regulatory Commission (FERC). The applications cover five existing hydroelectric developments on the Spokane River including Post Falls, Upper Falls, Monroe Street, Nine Mile and Long Lake. FERC will now begin its review of the applications.

(Logo: <http://www.newscom.com/cgi-bin/prnh/20040128/SFW031LOGO>)

The license applications were due by August 1. Avista's current license for the Spokane River Project expires August 1, 2007. If granted, a new license would have a term of 30 to 50 years.

Avista has proposed a number of measures intended to address impacts of the dams and enhance resources associated with the river. These measures reflect a three-year collaborative process involving hundreds of area stakeholders. This pre-filing consultation was conducted through the Alternative Licensing Process, approved for this project by FERC in June 2002.

Some examples of the proposed measures would:

- Support enhancements of fishery resources in Coeur d'Alene Lake, the Spokane River, and Lake Spokane.
- Double the required minimum discharge from Post Falls Dam in order to protect fish in the Spokane River and support water quality improvements downstream, while supporting the Coeur d'Alene Lake level for summer recreation.
- Enhance recreational opportunities from Coeur d'Alene Lake to Lake Spokane.
- Support water quality improvement efforts in the Spokane River, Lake Spokane and Coeur d'Alene Lake.
- Enhance the natural beauty of the river and falls in Spokane and Post Falls through aesthetic flows.

Although the five projects are currently licensed as a single project, Avista has asked FERC to consider a separate license for Post Falls.

"Post Falls presents complex issues that may take longer to resolve than those dealing with the rest of the project," said Bruce Howard, Avista's Spokane River license manager. "While issues downstream are also complex, we feel we are closer to finding ways to resolve them with most parties. Should that occur, we could get on with many of our proposed measures in a timely manner. However, our goal is to resolve the issues for Post Falls and the downstream dams as quickly as possible."

FERC will now begin a review process that includes opportunities for additional consultation and public input. In addition to its own review, FERC will seek proposed terms and conditions from resource agencies and tribes. Some of these conditions may be mandatory for FERC's inclusion in any new license.

Avista will continue to work with stakeholders during this review period. "A number of people put in a tremendous amount of effort on this process and we appreciate that contribution very much," Howard said. "We were disappointed that we weren't able to resolve all the issues in an agreement before we filed, but we're not done trying and we intend to keep working toward an agreement."

About Avista

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 330,000 electric and 285,000 natural gas customers in three 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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/CONTACT: Media, Hugh Imhof, +1-509-495-4264, or
hugh.imhof@avistacorp.com, or Investors, Jason Lang, +1-509-495-2930, or
jason.lang@avistacorp.com, both of Avista Corp.; or Avista 24/7 Media Access,
+1-509-495-4174/

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