



Avista Requesting to Lower Natural Gas Prices for Washington and Idaho Customers for Second Time This Year

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--Price decreases would make customer rates the lowest in four years

SPOKANE, Wash., May 19, 2009 /PRNewswire-FirstCall via COMTEX/ -- Avista today filed requests with the utility commissions in Washington and Idaho to reduce natural gas prices by 8.1 percent and 6.7 percent respectively, effective June 1. If approved, this would be the second time in 2009 that Avista customers in both states will see a decrease in their natural gas rates.

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

"Natural gas prices have continued to decline since our last rate decrease was effective in January. We know many of our customers are concerned about expenses in this economy and we want to pass these additional savings on to them as soon as possible," said Kelly Norwood, Avista vice president for state and federal regulation. "In addition, we are now purchasing natural gas for the next heating season and plan to file by September for a third decrease, provided natural gas prices do not escalate substantially over the summer."

If the request is approved by the Washington Utilities and Transportation Commission (WUTC), a residential customer using an average of 70 therms per month would see a decrease of \$7.02, or 8.1 percent, for a revised monthly bill of \$79.43. Avista's 146,000 Washington natural gas customers received a 3.0 percent decrease in January 2009.

If the request is approved by the Idaho Public Utilities Commission (IPUC), an Idaho customer using an average of 65 therms per month would see a \$5.26, or 6.7 percent decrease for a revised monthly bill of \$72.97. Avista's 73,000 Idaho natural gas customers received a 4.7 percent decrease in January 2009.

Purchased Gas Cost Adjustment (PGA) filings are usually made annually in the fall to pass through changes in the cost of natural gas Avista acquires to serve customers. Each month Avista calculates the difference between the price that Avista pays for natural gas and the price that customers pay in rates. The difference between the two amounts is set aside and trued up through annual PGA adjustments. In this instance, natural gas prices have declined, so Avista is refunding the difference to customers prior to its annual PGA filing. These changes in natural gas costs and the PGA rate adjustments do not increase or decrease Avista's earnings.

About 75 percent of an average residential customer's monthly Avista natural gas bill is the cost of the gas and pipeline transportation. The remaining 25 percent is Avista's fixed costs to provide natural gas service through its distribution system.

Avista offers a number of rebates and incentive programs to help residential, commercial and industrial customers manage their costs through reduced energy use. Some residential efficiency improvements may also qualify for Federal energy tax credits. Information on Avista's energy efficiency programs and low- and no-cost energy saving ideas is available at www.everylittlebit.com.

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 service to 355,000 electric and 315,000 natural gas customers in three Western states. Avista's primary, non-regulated subsidiary is Advantage IQ. Avista stock is traded under the ticker symbol "AVA." For more information about Avista, please visit 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, 2008, and the Quarterly Report on Form 10-Q for the quarter ended March 31, 2009.

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