



Fitch Upgrades Avista Corp. to Investment Grade

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SPOKANE, Wash., May 19 /PRNewswire-FirstCall/ -- Fitch Ratings announced today that it has upgraded the corporate credit rating of Avista Corp. (NYSE: AVA) to BBB- from BB+, which raises the company's rating to investment grade. In addition, Avista Corp's senior unsecured debt ratings were upgraded to BBB from BBB-. Fitch cited Avista's more balanced regulatory environment, improved financial profile and continued focus on the core utility business as major factors in the upgrade. This announcement follows the credit rating upgrades received from Standard & Poor's in February 2008 and from Moody's Investors Service (Moody's) in December 2007.

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"To have an investment grade rating with the three major ratings services is a significant milestone for the company. This is the goal we have been working toward over the past seven years," said Scott Morris, Avista chairman, president and CEO. "Fitch returning our credit rating to investment grade is a solid indication of our company's progress toward financial recovery. While this is an important achievement, we still have work to do in strengthening our financial standing, especially as we continue our significant investment in our utility's infrastructure, including hydro generation plant enhancements, and our transmission and distribution systems."

The changes positively affect Avista's ability to secure debt at lower rates. A reduction in interest costs over time, together with increased financial flexibility, may result in lower operating expenses.

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. Our 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 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.

Security ratings are not recommendations to buy, sell or hold securities. The ratings are subject to change or withdrawal at any time by the respective credit rating agencies. Each credit rating should be evaluated independently of any other ratings.

SOURCE Avista Corp.

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