



Avista Corp. Board Abandons Plan for Holding Company

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SPOKANE, Wash., Aug. 20 /PRNewswire/ -- A 2006 proposal to proceed with a share exchange, which would have changed the company's organization to a holding company structure, has been abandoned by Avista Corp.'s (NYSE: AVA) board of directors. The proposal had received approval from the company's shareholders and conditioned approvals from the Federal Energy Regulatory Commission, as well as the Washington and Idaho state utility commissions. The company was unable, however, to reach agreement on acceptable terms and conditions with interested parties in proceedings before the Public Utility Commission of Oregon.

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"We're disappointed that we weren't able to come to agreement in Oregon on the terms under which the holding company would operate. However, this change in plans will not affect the continued progress we are making in strengthening our company's financial performance," said Scott L. Morris, Avista Corp. chairman, president and chief executive officer.

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 electric service to 353,000 homes and businesses and natural gas to 313,000 homes and businesses in three Western states, serving more than 492,000 customers. 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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