



Avista Receives Approval to Decrease Rates for All Natural Gas Customers

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Lower wholesale prices mean customers will have lowest natural gas rates in over 5 years

SPOKANE, Wash., Oct. 30 /PRNewswire-FirstCall/ -- Prices this heating season for Avista's (NYSE: AVA) 312,000 natural gas customers in Washington, Idaho and Oregon will be at their lowest level in at least five years with this week's approval of Avista's most recent Purchase Gas Cost Adjustments (PGA) by the public utility commission in each state. News rates will be effective Nov. 1.

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

Since mid-January, overall residential rates for Avista's natural gas customers in Washington will be 33 percent lower, or about \$28.71 a month, and 30 percent lower, or about \$24.82 a month, for Idaho natural gas customers. The savings are based on an average residential customer monthly usage of 70 therms in Washington and 66 in Idaho. Rates in the two states will be at the lowest level since 2001. Avista serves over 145,000 natural gas customers in Washington and 73,000 in Idaho.

Residential natural gas customers in Oregon will see an overall 13 percent decrease, or about \$10 a month, in their natural gas rates in 2009. Partially offsetting the decrease in natural gas prices is an increase in the cost of delivering natural gas to over 94,000 customers in the state. The monthly savings are based on an average residential customer monthly usage of 51 therms. The new rates, which will be at the lowest level since 2004, will also take effect Nov. 1.

"It is very good news for our customers that wholesale natural gas prices have fallen significantly from the unprecedented high prices in mid-2008," said Kevin Christie, Avista's director of gas supply. "While these lower prices are welcomed news for customers this winter, wholesale natural gas prices fluctuate based on market conditions. That means prices may increase over the next year. So, it just makes sense to always use energy wisely."

The wholesale cost of natural gas makes up about two-thirds of a residential Avista customer's monthly bill. This portion of a customer bill is typically adjusted annually, up or down, in PGA filings to reflect the wholesale price of natural gas. The remaining one-third is the cost of delivering natural gas - the equipment and people needed to provide safe and reliable delivery of service.

Customers can take advantage of a number of energy efficiency rebate and incentive programs offered by Avista to help them proactively manage their natural gas usage. Information on energy efficiency and energy assistance programs, as well as no- and low-cost energy saving tips is available at www.avistautilities.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 electric service to 355,000 homes and businesses and natural gas to 312,000 homes and businesses in three Western states, serving more than 492,000 customers. 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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SOURCE Avista Corp.

Media, Debbie Simock, +1-509-495-8031, debbie.simock@avistacorp.com, or Investors, Jason Lang, +1-509-495-2930, jason.lang@avistacorp.com, or Avista 24/7 Media Access, +1-509-495-4174, all of Avista Corp.