



Avista Proposes Natural Gas Price Decrease for Oregon Customers

08/31/10

Request reflects continuation of relatively stable natural gas prices

SPOKANE, Wash., Aug 31, 2010 /PRNewswire via COMTEX/ --

Natural gas prices for Avista's (NYSE: AVA) 95,000 Oregon customers could decrease by 2.4 percent effective Nov. 1, if the Oregon Public Utility Commission (OPUC) approves the company's annual Purchase Gas Cost Adjustment (PGA) request. PGAs are filed each year to true-up the cost of wholesale natural gas purchased by Avista to serve customers with the amount included in rates.

(Logo: <http://photos.prnewswire.com/prnh/20091223/AVISTALOGO>)

(Logo: <http://www.newscom.com/cgi-bin/prnh/20091223/AVISTALOGO>)

Avista also made three administrative filings today with the OPUC related to demand side management, intervener funding and commission fees. If all filings are approved, an Avista residential customer using an average 50 therms a month could expect their bill to decrease by \$1.35, or 2.1 percent, for a revised monthly bill of \$63.05. Other customer groups could also expect a price decrease in a similar range.

Avista's Oregon customers received a 21 percent decrease in their natural gas prices in November 2009 because of steep declines in national wholesale natural gas prices caused by lower demand and an abundance of natural gas supplies. Kevin Christie, Avista's director of gas supply, said the same market forces are continuing to keep natural gas prices at overall lower levels.

"In North America, increasing amounts of natural gas are being extracted from shale, which is contributing to robust natural gas supplies. The increase in supplies, along with softening demand is creating the current environment of relatively stable natural gas prices," Christie said. "We're pleased that our customers could again see their natural gas prices decrease for the upcoming heating season."

However, the wholesale natural gas market remains volatile in spite of continuing lower prices. To help provide greater price stability for customers and to allow for flexibility based on changing market conditions, Avista follows a diversified natural gas purchasing plan which includes underground storage and forward and daily purchases.

The direct cost of wholesale natural gas makes up about 65 percent of an Avista customer's bill, and these costs fluctuate up and down based on market prices. Avista does not mark up the cost of natural gas purchased to meet customer needs. The remaining 35 percent covers the cost of delivering the 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 programs, including rebates and incentives that can help them proactively manage their natural gas use. Energy assistance programs and payment options are also available to help assist qualifying customers. Information on the programs 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 customers and natural gas to 315,000 customers. Our service territory covers 30,000 square miles in eastern Washington, northern Idaho and parts of southern and eastern Oregon, with a population of 1.5 million. 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.

Avista Corp. and the Avista Corp. logo are trademarks of Avista Corporation.

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, 2009, and the Quarterly Report on Form 10-Q for the quarter ended June 30, 2010.

SOURCE Avista Corp.