



Avista Reviewing Commission Notice of Non-Compliance

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At issue is how energy assistance funds are credited to customer accounts

SPOKANE, Wash., Dec. 16, 2010 /PRNewswire via COMTEX/ --

Avista is reviewing the notice it received today from the Washington Utilities and Transportation Commission (UTC) stating the company is considered in violation of certain state consumer protection rules primarily relating to the application of energy assistance grants, or pledge monies, to the accounts of customers who have been disconnected for non-payment. The company was assessed a \$62,100 fine.

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

"Avista and the UTC share a common concern for our customers and both want to help them avoid an interruption in their service because of non-payment," said Vicki Weber, Avista's director of customer service. "All energy assistance grants customers receive are fully applied to their account - that fact is **not** in question by the UTC. We believe that certain aspects of the rules are unclear, and we look forward to working with commission staff in order to avoid future misunderstandings."

When an energy assistance grant is received for a customer who has had a service interruption for non-payment, Avista applies the funds to the customer's past due amount - including prior balance - to help bring the account balance to zero. Prior balance is the dollar amount, excluding deposit amounts owed, the utility has billed to the customer for the energy they have already used and for which the utility has not received payment at the time the service was disconnected for nonpayment.

At issue is whether energy assistance grants should be applied only to current and future amounts billed since the service was reconnected, or whether assistance grants should also be applied to past due amounts.

"Avista has a long history of care and support for our customers," Weber said. "Through Avista's tariff-based Low-Income Rate Assistance Program (LIRAP), approximately \$3.3 million in energy assistance is available annually for qualifying customers and approximately \$1.7 million for natural gas customers. Additionally, \$2 million in assistance is available to help qualifying customers improve the energy efficiency of their homes through Avista's low-income weatherization program."

In the fourth quarter of 2010, Avista shareholders also contributed \$425,000 to Project Share, a program which provides emergency energy assistance to qualifying households that have exhausted other avenues of aid, regardless of the fuel used to heat the home. Recipients of Project Share assistance do not have to be Avista customers.

The notice and associated fine are a result of an audit conducted by the UTC on randomly selected Avista customers who had their electric and/or natural gas service disconnected between Oct. 15 and 31, 2009, because of non-payment. Avista was one of five regulated electric and natural gas utilities in Washington State that were similarly audited.

Avista has up to 15 days to pay the \$62,100 fine, request a hearing to contest the violations or request a reduction in the fine.

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 357,000 customers and natural gas to 316,000 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.

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