



Avista Reaches Settlement in Oregon Natural Gas Rate Request

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If Approved, Rate Adjustments Would Be Effective in Two Phases in 2014

SPOKANE, WA -- (Marketwired) -- 12/18/13 -- Avista (NYSE: AVA) and all other parties involved in the company's natural gas general rate filing have reached a settlement agreement that, if approved by the Public Utility Commission of Oregon (PUC), would conclude the proceedings for the general rate request filed on [Aug. 15, 2013](#). If the settlement agreement is approved, new rates would be effective in two phases: Feb. 1, 2014 and Nov. 1, 2014.

The settlement proposes that, effective Feb. 1, 2014, Avista would receive an increase in rates designed to increase its annual billed revenues by 4.4 percent or \$3.8 million. The second phase would become effective Nov. 1, 2014, and is estimated to provide for an increase of 1.6 percent or \$1.35 million. The proposed settlement agreement reflects a 48 percent equity layer and a 9.65 percent return on equity (ROE).

"We are pleased that all parties were able to reach a joint recommendation to the commission that resolves all the issues in this case. The outcome is a settlement that, if approved by the commission, provides a framework for positive outcomes from our Oregon operations for both our customers and our shareholders," said Dennis Vermillion, Avista Corp. senior vice president and president of Avista Utilities.

If the general rate request is approved by the PUC, a residential customer using an average of 48 therms per month would see a \$2.65 per month increase, or 4.9 percent, for a revised monthly bill of \$57.00, effective Feb. 1, 2014. The second bill change effective Nov. 1, 2014, for a residential customer using an average of 48 therms per month would be an increase of \$0.92 per month, or 1.6 percent, for a revised monthly bill of \$57.92. Avista serves approximately 96,700 customers in Oregon.

The majority of Avista's general rate request filing was related to the need to expand and replace the facilities used to serve customers. This included, among other things, increased investment to replace certain natural gas service pipe and updated technology that is the backbone of the company's customer information system.

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 364,000 customers and natural gas to 321,000 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-utility subsidiary is [Ecova](#), an energy and sustainability management company with over 700 expense management customers, representing more than 700,000 sites. Our stock is traded under the ticker symbol "AVA." For more information about Avista, please visit www.avistacorp.com.

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, 2012 and the Quarterly Report on Form 10-Q for the quarter ended Sept. 30, 2013.

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