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Avista requests recovery of costs for providing service in Oregon

Investments in infrastructure and reliability drive rate request

SPOKANE, Wash., March 15, 2019, 1:05 p.m. PST: Continuing capital investments in natural gas infrastructure led Avista (**NYSE: AVA**) to file a request today with the Public Utility Commission of Oregon (PUC) to increase natural gas base rates.

The proposal is designed to increase overall natural gas billed revenue by approximately \$6.7 million or 7.8 percent and is based on a proposed rate of return of 7.55 percent with a common equity ratio of 50 percent and a 9.9 percent return on equity.

"This general rate request is driven by investments in our natural gas infrastructure that serves our customers in Oregon," said Dennis Vermillion, president of Avista. "We continuously invest in the natural gas system, and this request includes projects that support the safe, reliable delivery of natural gas to our customers as well as the replacement of old equipment, compliance with government regulations and requirements, technology upgrades and more. While customers have benefitted from low natural gas commodity prices, we understand that this requested increase can be challenging, and we are focused on managing our costs, maximizing efficiencies and delivering value for our customers."

The last general rate request Avista filed in Oregon was Nov. 30, 2016, with new base rates that took effect on Oct. 1, 2017 and Nov. 1, 2017. This request is separate from the Purchased Gas Cost Adjustment (PGA) and other annual rate adjustment filings that took effect on Nov. 1, 2018, lowering an average customer bill by 8.3 percent or \$4.56 per month.

Capital Investments

The majority of the current capital investments include upgrades and maintenance of natural gas pipe and distribution equipment as well as other information technology upgrades. Major capital investments included in today's filing are:

- The continuation of a major project to replace portions of natural gas distribution pipe. The project is replacing hundreds of miles of natural gas pipeline that was installed prior to 1987.
- Expansion of the natural gas system to meet the growing needs of customers.
- Replacement of natural gas pipe to improve the operation of the natural gas system and accommodate development and construction projects.
- Implementation and upgrades of technology systems that make it easier for customers to do business with Avista and that allow employees to perform their jobs and serve customers in a safe, reliable and efficient manner.

Customer Bills

If the general rate request is approved by the PUC, a residential customer using an average of 47 therms per month would see a \$3.91 per month increase, or 8.0 percent, for a revised monthly bill of \$52.85. The revised monthly bill includes a proposed increase in the monthly basic charge from \$10.00 to \$12.00.

On average, about 35 percent of an Avista bill for Oregon residential customers is the combined costs of purchasing natural gas on the wholesale market and transporting it to our system for delivery to customers. The remaining 65 percent is related to the ownership and operating costs of Avista's delivery system to provide safe, reliable service to all customers, while meeting mandatory state and federal requirements.

Avista serves approximately 103,000 customers in Oregon. The PUC has up to 10 months to review Avista's request.

Customer Resources

To assist customers in managing their energy bills, Avista offers services for customers such as comfort level billing, payment arrangements, and Customer Assistance Referral and Evaluation Services (CARES), which provide assistance to customers through referrals to area organizations for help with housing, utilities, medical assistance and other needs. Avista also provides support to customer assistance funds such as Project Share. In addition, Avista provides energy efficiency and outreach programs, including rebates and incentives, which help customers manage their energy use. Since 2017 we have partnered with the Energy Trust of Oregon for these programs. To learn more, visit www.myavista.com.

About Avista Corp.

Avista Corp. is an energy company involved in the production, transmission and distribution of energy as well as other energy-related businesses. [Avista Utilities](http://www.avista.com) is our operating division that provides electric service to 388,000 customers and natural gas to 355,000 customers. Its service territory covers 30,000 square miles in eastern Washington, northern Idaho and parts of southern and eastern Oregon, with a population of 1.6 million. Alaska Energy and Resources Company is an Avista subsidiary that provides retail electric service in the city and borough of Juneau, Alaska, through its subsidiary [Alaska Electric Light and Power Company](http://www.alaskapower.com). Avista 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, 2018.

SOURCE: Avista Corporation

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