

MULTIPARTY SETTLEMENT FILED IN AVISTA'S WASHINGTON GENERAL RATE CASE ("GRC")

A multiparty settlement has been filed in Avista's Washington GRC. Along with the Company, Commission Staff, Public Counsel, ICNU, and the Northwest Industrial Gas Users are parties to an agreement that would settle issues including cost of capital, net power supply costs, and the spread of any resulting revenue increase among customer classes at the conclusion of the GRC. The settling parties agreed upon a 7.29 percent rate of return for the Company, with a common equity ratio of 48.5 percent and a 9.5 percent return on equity. Net power supply costs would be reduced by \$12.4 million under the settlement, decreasing Avista's original electric revenue increase request from \$33.2 million to \$17.0 million. The Energy Project did not sign the agreement. A recommendation to the Commission by the WUTC Staff to approve the settlement is not binding on the Commission itself.