



News Release

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Avista Seeks to Maximize Generation Production from Monroe Street Dam *Diverting spill from Spokane Falls creates enough low-cost electricity to power 650 homes*

Spokane, Wash.: Avista Utilities is seeking to temporarily adjust operations at its Monroe Street hydroelectric facility to help meet the energy shortage facing its customers. This action comes in response to requests from the State of Washington and the Federal Energy Regulatory Commission (FERC) to find ways to increase production from existing generation facilities.

In its proposal to FERC for an amendment to its operating license, Avista will request to temporarily cease the daytime spill over the dam that is currently used for aesthetic viewing. Under the proposed change, water would be diverted from the spill-way during the entire day and used to generate an additional one megawatt of electric power. This additional generation would create enough electricity to power 650 homes at Avista's cost during a time when wholesale power costs are 10 to 20 times higher than they were only one year ago.

This is a one-time request for this summer only. Avista is proposing to begin the water diversion when spring run-off is complete near the end of June. Regular operations would resume in early November.

During normal summertime operations, Avista maintains the spill over the lower falls beginning at 10 a.m. through one-half hour after sunset. During the night and early morning there is no spill over the dam for a period of about 12 hours each day.

The operation of all other hydro plants on the Spokane River would not be altered due to the proposed change at the Monroe Street dam.

"With energy supplies extremely tight, we want to capture every available megawatt of available energy to meet our customers needs," said Avista Utilities President Scott Morris. "We have never before ceased the aesthetic spill at the Monroe Street dam during daylight hours. This action speaks to the need to maximize power generation which will benefit our customers and our company."

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Avista has been working in consultation with government agencies, tribes, community groups and individuals interested in the falls to determine whether this temporary change is beneficial to the community during the summer power crisis when low-cost energy supplies are extremely tight.

Monroe Street Dam History

Built in 1890, the Monroe Street Hydroelectric facility is one of the oldest dams currently generating electricity in the state of Washington. Located in Spokane's downtown core, it was constructed at Spokane's Lower Falls – the same falls that helped the town of Spokane Falls move from candles and oil lamps to incandescent lighting.

The dam was rebuilt in 1974, and a new underground powerhouse was completed in 1992. As part of the 1992 construction, the five vintage 1900-era turbines and generators were replaced with one state-of-the-art generating unit able to produce twice the electric power. Today, the plant has a licensed generating capacity of 15 megawatts.

About Avista Corp.

Avista Corp. is an energy, information and technology company whose utility and subsidiary operations focus on delivering superior products and providing innovative solutions to business and residential customers throughout North America.

Avista Corp.'s affiliate companies include Avista Utilities, which operates the company's electric and natural gas generation, transmission and distribution business. Avista's non-regulated businesses include Avista Advantage, Avista Labs, Avista Communications, Avista Energy, Avista Energy Canada, Ltd., Avista Power, and Avista Ventures. Avista Corp.'s stock is traded under the ticker symbol "AVA." For more information about Avista Corp. and its affiliate businesses, visit the corporate website at www.avistacorp.com

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