



Avista Subsidiary, AEL&P, Requests Electric Rate Increase

09/20/16

SPOKANE, WA -- (Marketwired) -- 09/20/16 -- Avista Corp. (NYSE: AVA) subsidiary Alaska Electric Light and Power Company (AEL&P) has filed a request with the Regulatory Commission of Alaska (RCA) to increase electric rates. The company is seeking an interim rate increase of 3.86 percent, which, if approved, could take effect as early as Nov. 1, 2016, and a permanent rate increase of an additional 4.24 percent, which, if approved, could take effect in December 2017. This represents a combined total rate increase of 8.1 percent.

The RCA typically acts on interim rate increase requests within 45 days and must rule on permanent rate increase requests within 450 days (approximately 15 months) from the date of filing.

For a residential customer using an average of 750 kWh a month, the interim increase would result in a monthly increase of \$3.19 in the summer rate months (June through October) and \$3.79 in the winter rate months (November through May). If the combined total rate request is approved, the same residential customer using an average of 750 kWh a month would see a monthly increase of \$6.72 in the summer rate months and \$8.00 in the winter rate months when compared with current rates.

If the combined total rate request is granted, AEL&P's residential rates would remain in line with the national average and well below average residential rates in Alaska.

Increased costs, including additions and upgrades to the electric system as well as increased operating and maintenance expenses, are the main drivers in this rate request. AEL&P's last rate increase was in May of 2010, based on 2009 costs. In the six-year period since, the Anchorage CPI (Alaska's only inflation index) has increased by 13.1 percent.

"The costs to replace facilities and update our system are often several times more expensive today than when originally installed. Over the last six years, AEL&P has invested over \$50 million dollars in our system for additions and upgrades to ensure that we are able to continue to provide Juneau with safe, reliable, low-cost energy. As a result of these investments, annual outage hours have decreased by 56 percent over the last six years," said Tim McLeod, president and general manager of AEL&P.

The most recent and visible of these investments is the construction of the Industrial Boulevard backup generation plant (\$22.5 million), which will provide power to homes and businesses in Juneau at times when hydro power is unavailable. Adequate backup energy resources are essential in an isolated community such as Juneau.

Other investments in the six-year period since the last rate increase include power pole replacements, substation upgrades, system redundancy, automation, transmission and distribution line improvements, and integrating new technology into the system to enhance performance.

AEL&P is sensitive to the effect this rate increase may have on its customers. To assist customers, a credit counselor and energy services specialist are available to help customers find ways to reduce their usage, make payment arrangements, and connect with community resources that can help customers pay their bills.

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](#) is our operating division that provides electric service to 375,000 customers and natural gas to 335,000 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](#). 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, 2015 and the Quarterly Report on Form 10-Q for the quarter ended June 30, 2016.

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Source: Avista Corp.