



Avista reaches settlement in Idaho electric rate request

10/24/16

New rates would take effect Jan. 1, 2017

SPOKANE, WA -- (Marketwired) -- 10/24/16 -- Avista (NYSE: AVA) and all of the other parties in the company's electric rate case filing have reached a settlement agreement that, if approved by the Idaho Public Utilities Commission (IPUC or Commission), would conclude the proceedings related to the general rate request filed on May 26, 2016. New rates would take effect Jan. 1, 2017.

If approved, the settlement agreement is designed to increase annual electric revenues by \$6.3 million, or 2.5 percent. The settlement revenue increase is based on a 9.5 percent return on equity (ROE) with a common equity ratio of 50 percent.

In addition to the agreed-upon increase in electric revenues to recover costs primarily driven by Avista's increased capital investments in infrastructure to serve customers, the settlement includes the continued recovery of approximately \$4.1 million in costs related to the Palouse Wind Project through the Power Cost Adjustment mechanism rather than through base rates.

"This settlement agreement will provide new electric rates in Idaho that are fair and reasonable for our customers, the Company and our shareholders," said Dennis Vermillion, Avista Corp. senior vice president and president of Avista Utilities. "This outcome provides us the opportunity to continue to earn a fair return in Idaho and supports Avista's efforts to make key capital investments so we can continue to provide the reliable energy our customers expect."

Residential Customer Electric Bill

If the settlement is approved, a residential customer using an average of 918 kilowatt hours per month could expect to see a bill increase of \$2.64 per month, or 3.1 percent, for a revised monthly bill of \$87.15. The total revised average monthly bill amount includes the effects of an increase in the basic charge of \$0.50, from \$5.25 to \$5.75 per month.

If approved, the electric increase by service schedule for 2017 is as follows:

<i>Rate Schedule</i>	<i>2017 Billing Increase</i>
Residential Service - Schedule 1	3.1%
General Service - Schedules 11 & 12	1.8%
Large General Service - Schedules 21 & 22	2.3%
Extra Large General Service - Schedule 25	1.9%
Extra Large General Service - Schedule 25P	1.8%
Pumping Service - Schedules 31 & 32	3.0%
Street & Area Lights - Schedules 41 - 49	3.3%
<i>Total</i>	<i>2.5%</i>

Avista serves more than 128,200 electric customers in Idaho.

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.

Avista provides energy efficiency and outreach programs that include rebates and incentives as well as tips and resources to help customers manage their energy use. To learn more, visit www.avistautilities.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.avistautilities.com) 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](http://www.alaskaelectric.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, 2015 and the Quarterly Report on Form 10-Q for the quarter ended June 30, 2016.

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