



Avista receives approval of the all-party settlement in Idaho electric rate case

12/28/16

Settlement was filed Oct. 24, 2016; new rates will take effect Jan. 1, 2017

SPOKANE, WA -- (Marketwired) -- 12/28/16 -- Avista (NYSE: AVA) received approval from the Idaho Public Utilities Commission (IPUC or Commission) on the all-party settlement that was filed on Oct. 24, 2016, concluding the company's electric rate request filed on May 26, 2016. New rates will take effect on Jan. 1, 2017.

The approved rates are designed to increase annual electric revenues by \$6.3 million, or 2.5 percent. In addition to the \$6.3 million, as part of the settlement the costs associated with the Palouse Wind Project will continue to be recovered (at 90 percent) through the Power Cost Adjustment (PCA) mechanism, which is equal to \$4.1 million. The approved revenue increase is based on a 9.5 percent return on equity (ROE) with a common equity ratio of 50 percent. The Company's original request in May 2016 was a revenue increase of \$15.4 million.

"The Commission's decision provides new electric rates in Idaho that are 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

A residential customer using an average of 918 kilowatt hours per month can 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.

The electric increase by service schedule for 2017 is as follows:

Rate Schedule	2017 Billing Increase
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 25P - Schedule 25P	1.8%
Pumping Service - Schedules 31 & 32	3.0%
Street & Area Lights - Schedules 41 - 49	3.3%
Total	2.5%

The varying rate adjustments across rate schedules are designed to move the retail rates for each customer group closer to the cost of providing service for each group.

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 Sept. 30, 2016.

Contact:

Media:

Casey Fielder

(509) 495-4916

casey.fielder@avistacorp.com

Investors:

Lauren Pendergraft

(509) 495-2998

lauren.pendergraft@avistacorp.com

Avista 24/7 Media Access:

(509) 495-4174

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