



## UTC order denying Reconsideration/Rehearing concludes Avista's 2016 Washington general rate cases

02/28/17

SPOKANE, WA -- (Marketwired) -- 02/28/17 -- Avista (NYSE: AVA) received an order from the Washington Utilities and Transportation Commission (Commission or UTC), on Feb. 27, 2017, denying the Company's petition for reconsideration and/or rehearing in its 2016 electric and natural gas general rate cases. The Commission confirmed its previous order in the case, issued Dec. 15, 2016, which denied Avista's proposed electric and natural gas rate increase requests of \$38.6 million and \$4.4 million, respectively.

"In its order denying reconsideration/rehearing, the Commission generally referred back to its prior findings and conclusions in the order issued in December 2016. We are very disappointed in the Commission's ultimate decision in this case," said Scott Morris, chairman, president and chief executive officer of Avista Corp. "It is irreconcilable with the revenue increases supported by Avista in the case, the revenue increases proposed by Commission Staff in the case, and the revenue increases supported by the dissenting Commissioner in both the December 2016 order and the Feb. 27, 2017 order. As we have indicated in prior communications, this decision by the UTC will result in a significant adverse impact to Avista Utilities earnings in 2017 of approximately 20 to 30 cents per share. This result is especially disappointing in light of the significant ratemaking progress in recent years in Washington, which had allowed Avista to earn close to its allowed rate of return -- i.e., results that are fair to both customers and the Company's investors. Appeal of the Commission's decision to the courts by Avista would bring with it a significant amount of uncertainty regarding the level of success of such an appeal, as well as the timing of any value that might come following a process that would take between one and two years. We believe greater long-term value can be achieved through focusing on the upcoming new general rate case, than through appealing the recent decision in the courts.

"Now that the case is concluded, we will request meetings with the Commissioners to better understand their concerns and their expectations going forward. We will also reach out to Commission Staff and other parties to discuss needs and expectations prior to filing our next general rate case. We plan to file a general rate case in the second quarter of 2017.

"In the meantime, we will continue to make the capital investments that are necessary to maintain safe and reliable electric and natural gas utility systems and to meet the needs of our customers into the future. We believe the continuing communication regarding planned capital expenditures will demonstrate both the need for and reasonableness of these expenditures. This ongoing capital investment is expected to result in long-term earnings growth of 4 percent to 5 percent per year for the Company," Morris said.

### **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 377,000 customers and natural gas to 340,000 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](http://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, 2016.

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