



Welcome

Second Quarter 2016 Earnings Webcast

August 3, 2016

Call Participants



Scott Morris
Chairman, President
and CEO



Mark Thies
Sr. VP and CFO



Dennis Vermillion
Sr. VP, Avista Corp.
President, Avista Utilities



Kelly Norwood
VP, State and
Federal Regulation



Ryan Krasselt
VP, Controller and
Principal Accounting Officer

Forward-Looking Statements

This presentation contains forward-looking statements, including statements regarding our current expectations for future financial performance and cash flows, capital expenditures, financing plans, our current plans or objectives for future operations and other factors, which may affect the company in the future. Such statements are subject to a variety of risks, uncertainties and other factors, most of which are beyond our control and many of which could have significant impact on our operations, results of operations, financial condition or cash flows and could cause actual results to differ materially from those anticipated in such statements.

For a further discussion of these factors and other important factors, please refer to our Annual Report on Form 10-K for the year ended Dec. 31, 2015 and Quarterly Report on Form 10-Q for the quarter ended June 30, 2016. The forward-looking statements contained in this presentation speak only as of the date hereof. We undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances that occur after the date on which such statement is made or to reflect the occurrence of unanticipated events. New risks, uncertainties and other factors emerge from time to time, and it is not possible for management to predict all of such factors, nor can it assess the impact of each such factor on our business or the extent to which any such factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

Net Income (Loss) and Diluted EPS

<i>(\$ in thousands, except per-share data)</i>	Q2 2016	Q2 2015	YTD 2016	YTD 2015
Operating Revenues	\$318,838	\$337,332	\$737,011	\$783,822
Income from Operations	\$61,591	\$57,360	\$167,676	\$146,935
Total Net Income attributable to Avista Corp. Shareholders	\$27,254	\$25,246	\$84,903	\$71,695

Net Income (Loss) per diluted share by Business Segment attributable to Avista Corp. Shareholders

Avista Utilities	\$26,771	\$24,478	\$81,758	\$68,862
Alaska Electric Light and Power Company	\$1,058	\$925	\$4,019	\$3,559
Other	\$(575)	\$(353)	\$(874)	\$(922)

Earnings (Loss) per diluted share by Business Segment attributable to Avista Corp. Shareholders

Avista Utilities	\$0.42	\$0.39	\$1.29	\$1.10
Alaska Electric Light and Power Company	\$0.02	\$0.02	\$0.06	\$0.06
Other	\$(0.01)	\$(0.01)	\$(0.01)	\$(0.02)
Total Earnings per diluted share attributable to Avista Corp. Shareholders	\$0.43	\$0.40	\$1.34	\$1.14

Driving effective regulatory outcomes

Continued recovery of costs and capital investments

Washington



- Feb. 19, 2016, filed an electric and natural gas rate request with a proposed 18-month rate plan designed for new rates effective Jan. 1, 2017, and Jan. 1, 2018. Under this plan, we would not file a rate case for new rates to be effective prior to July 1, 2018.
- Request designed to increase annual electric revenues by 7.6% or \$38.6 million, and annual natural gas revenues by 2.8% or \$4.4 million effective Jan. 1, 2017.
- The request also includes a second-step increase on Jan. 1, 2018, designed to increase electric revenues by 3.9% or \$10.3 million, and natural gas revenues by 1.0% or \$0.9 million, for the January through June 2018 period.
- Request based on 48.5% equity ratio and a 9.9% return on equity.

Idaho



- May 26, 2016, filed an electric general rate request designed to increase annual electric revenues by an overall 6.3% or \$15.4 million effective Jan. 1, 2017.
- Request based on 50.0% equity ratio and a 9.9% return on equity.

Oregon

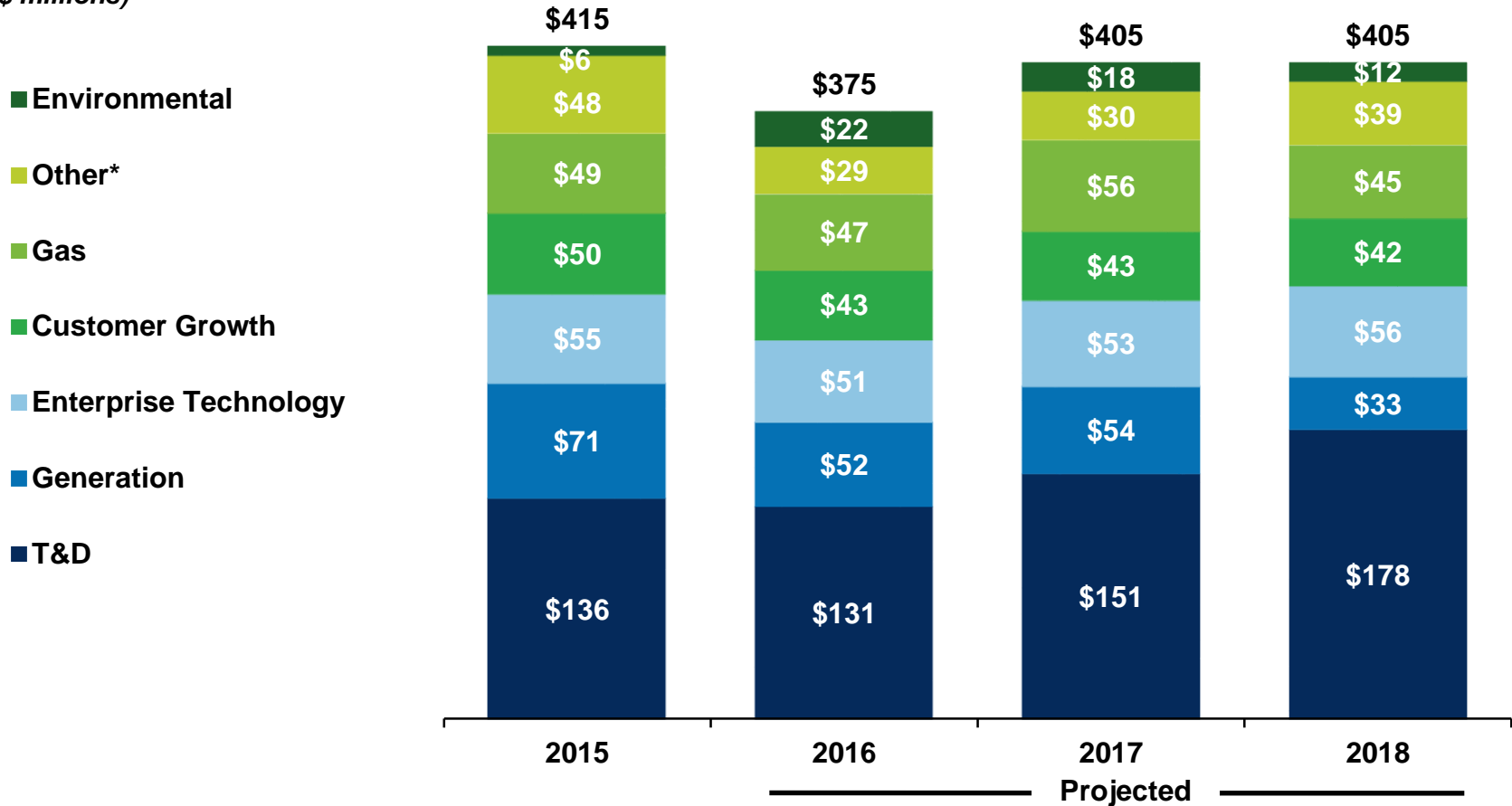


- Expect to file a natural gas general rate case in Oregon during the second half of 2016.

Significant investments to upgrade all systems

5% to 6% rate base growth

Avista Utilities Capital Expenditures**
(\$ millions)



* Other includes Facilities and Fleet

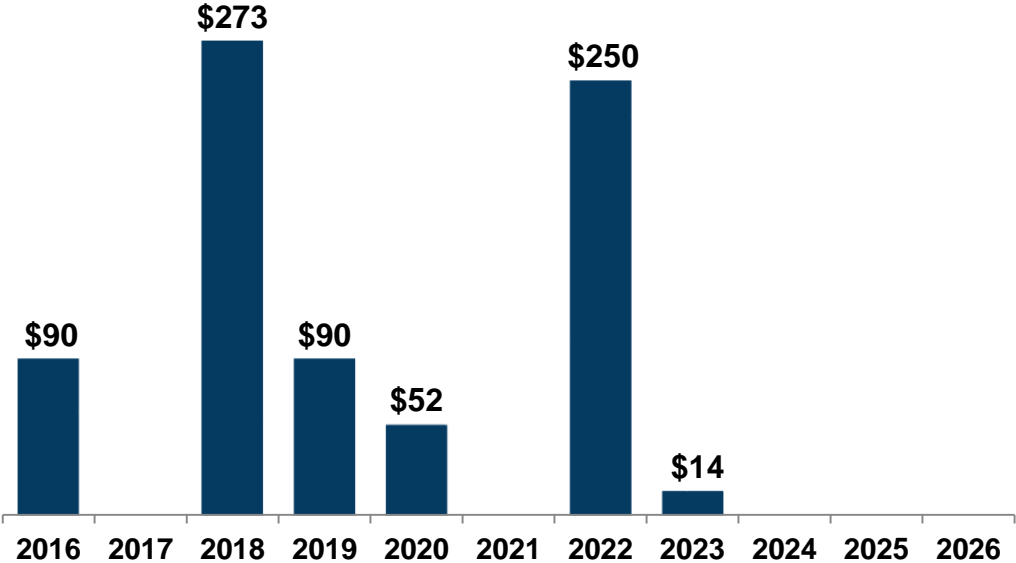
** Excludes capital expenditures at AEL&P of \$13 million in 2015, and projected capital expenditures of \$17 million in 2016, \$13 million in 2017 and \$18 million in 2018

Prudent balance sheet and liquidity

\$194 million of available liquidity at Avista Corp. as of June 30, 2016

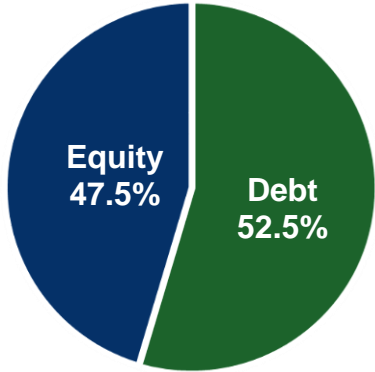
- In 2016, expect to issue about \$175 million of long-term debt and about \$75 million of common stock
- Issued 1.2 million shares of common stock under our sales agency agreements for total net proceeds of approximately \$46 million as of June 30, 2016.

No significant maturities until 2018
(\$ millions)



Additional long-term debt maturities beyond 2026 not shown

Consolidated Capital Structure
June 30, 2016



Growth for 2016

2016 Earnings Guidance	
Avista Utilities	\$1.91 - \$2.05
AEL&P	\$0.09 - \$0.13
Other	\$(0.04) - \$(0.02)
Consolidated	\$1.96 - \$2.16

Guidance Assumptions

- Our outlook for Avista Utilities assumes, among other variables, normal precipitation and temperatures for the remainder of the year.
- Our outlook for AEL&P assumes, among other variables, normal precipitation, temperatures and hydroelectric generation for the remainder of the year.
- Our guidance range for Avista Utilities encompasses expected variability in power supply costs and the application of the ERM to that power supply cost variability.
- The midpoint of our guidance range for Avista Utilities does not include any benefit or expense under the ERM. In 2016 we expect to be in a benefit position under the ERM within the \$4.0 million deadband.

Questions?



*Upper Falls Power Plant
Spokane, Wash.*

Contact Information

Analysts and Investors ----- Jason Lang
Investor Relations Manager
(509) 495-2930
jason.lang@avistacorp.com

Media ----- Jessie Wuerst
Sr. Communications Manager
(509) 495-8578
jessie.wuerst@avistacorp.com

Replay Available at (888) 843-7419
Passcode 42901436#

Webcast Archived on www.avistacorp.com