



# WELCOME

2017 Annual Meeting of Shareholders  
May 11, 2017



**Chairman, President and CEO  
Avista Corp.**

# 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, 2016 and Quarterly Report on Form 10-Q for the quarter ended March 31, 2017. 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.*

# Board of Directors



**Erik J. Anderson**



**Kristianne Blake**



**Donald C. Burke**



**Rebecca A. Klein**



**Scott H. Maw**



**Marc F. Racicot**



**Heidi B. Stanley**



**R. John Taylor**



**Janet D. Widmann**

# John F. Kelly







# Corporate and Subsidiary Officers



**Kevin J. Christie**



**Marian M. Durkin**



**Karen S. Feltes**



**James M. Kensok**



**Ryan L. Krasselt**



**David J. Meyer**



**Kelly O. Norwood**



**Heather L. Rosentrater**



**Edward D. Schlect**



**Jason R. Thackston**



**Mark T. Thies**



**Dennis P. Vermillion**



**Constance S. Hulbert**

# Timothy D. McLeod





# Business Meeting

# Proposal 1

## Election of Directors



Erik J. Anderson



Kristianne Blake



Donald C. Burke



Rebecca A. Klein



Scott H. Maw



Scott L. Morris



Marc F. Racicot



Heidi B. Stanley



R. John Taylor



Janet D. Widmann

# Proposal 2

Amendment of the Company's Restated Articles of Incorporation to reduce certain shareholder approval requirements.

# Proposal 3

Ratification of the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for 2017.

# Proposal 4

Advisory (non-binding) vote on executive compensation.



# Proposal 5

Advisory (non-binding) vote on the frequency of an advisory vote on executive compensation.





# BUILDING A BRIGHTER FUTURE

2016 ANNUAL REPORT









**Planned pedestrian  
bridge**

**Spokane's  
University District**





# A Strong Foundation for the Future





**Dennis Vermillion**  
**Sr. Vice President**  
**President, Avista Utilities**

# Innovation That Meets Customer Needs

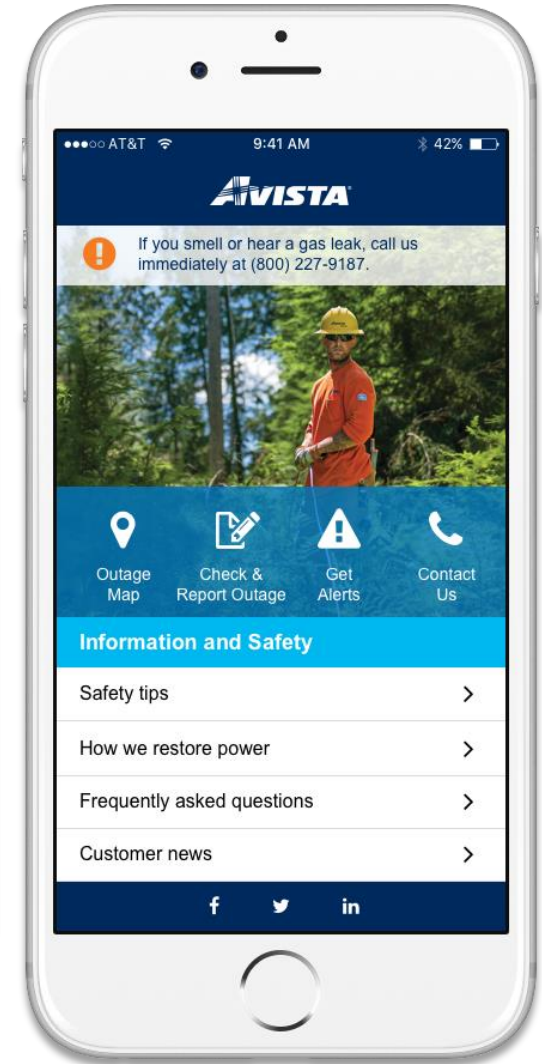
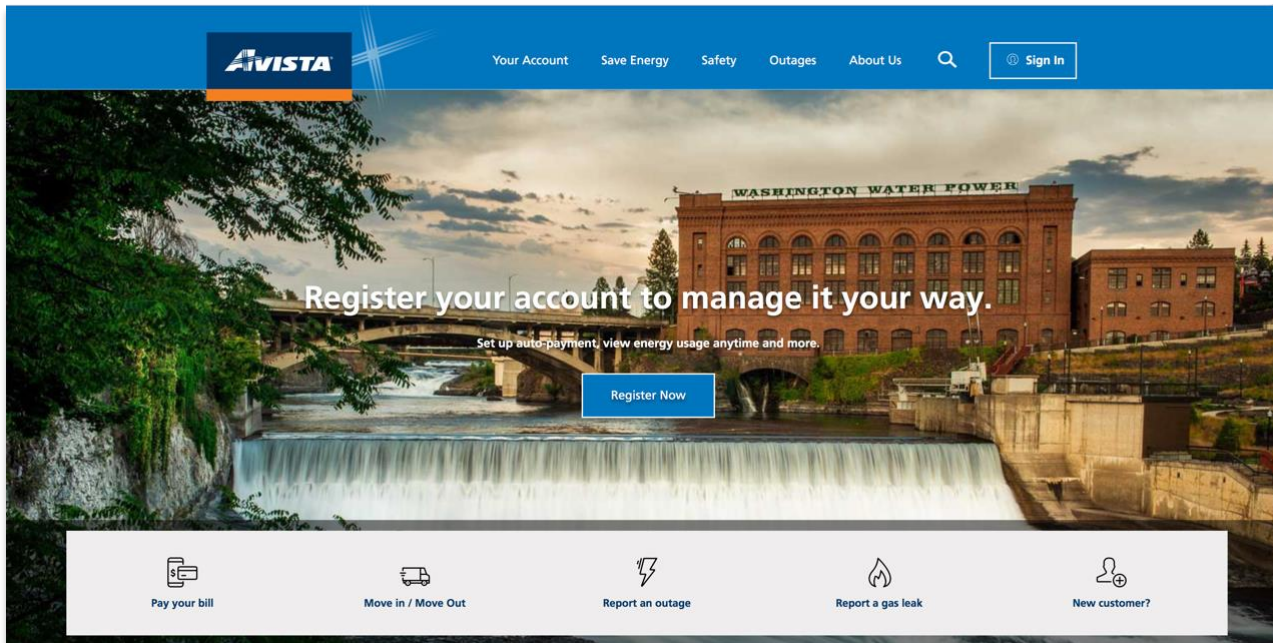
## EEI's 2017 National Key Accounts Award for Customer Service

- Innovative offerings
- Incentive programs
- Outage support and communications





# Engaging Customers With New Technology



# Advanced Metering Infrastructure (AMI)

Customer benefits

Operational savings

Platform for the future





# Electric Vehicle Supply Equipment (EVSE) Program



**EPRI**

ELECTRIC POWER  
RESEARCH INSTITUTE

**AVISTA**

# Non-Residential Solar





# Capital Investments in Infrastructure

Commitment to safety and reliability



Little Falls Rehabilitation



Nine Mile Falls Redevelopment



Post Falls South Channel Dam



The future of energy is being influenced by  
the creative, hard-working people at Avista.

Our company is committed to leading,  
innovating and exploring opportunities  
to position Avista and its stakeholders  
for what lies ahead.



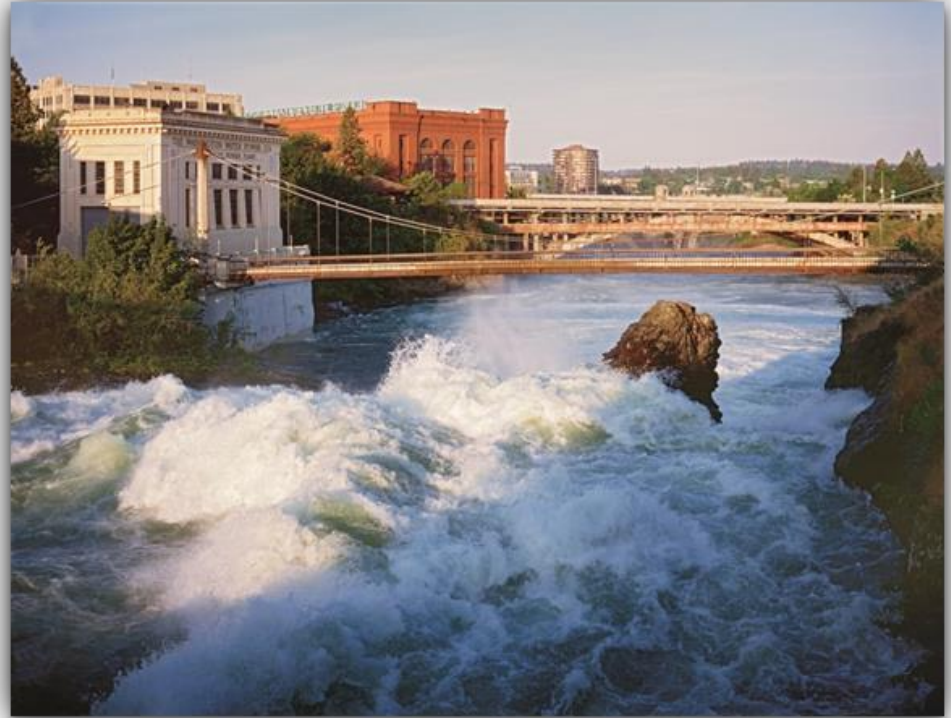


**Mark Thies**  
**Sr. Vice President and CFO**



# 2016 was Another Strong Year

- Net income attributable to Avista Corp. shareholders of \$137.2 million, or \$2.15 per diluted share
- Raised dividend 3.8% in February 2016
- Invested \$403 million into our utility system



*Spokane River Upper Falls*

# 2017 Earnings Negatively Impacted by Washington Order

- Near-term earnings are challenged due to 2016 Washington rate order
  - 100-120 basis points of regulatory timing lag
  - 2017 earnings are down \$0.20-0.30
- Committed to reducing timing lag and align our earned returns with those authorized by the 2019-2020 time period

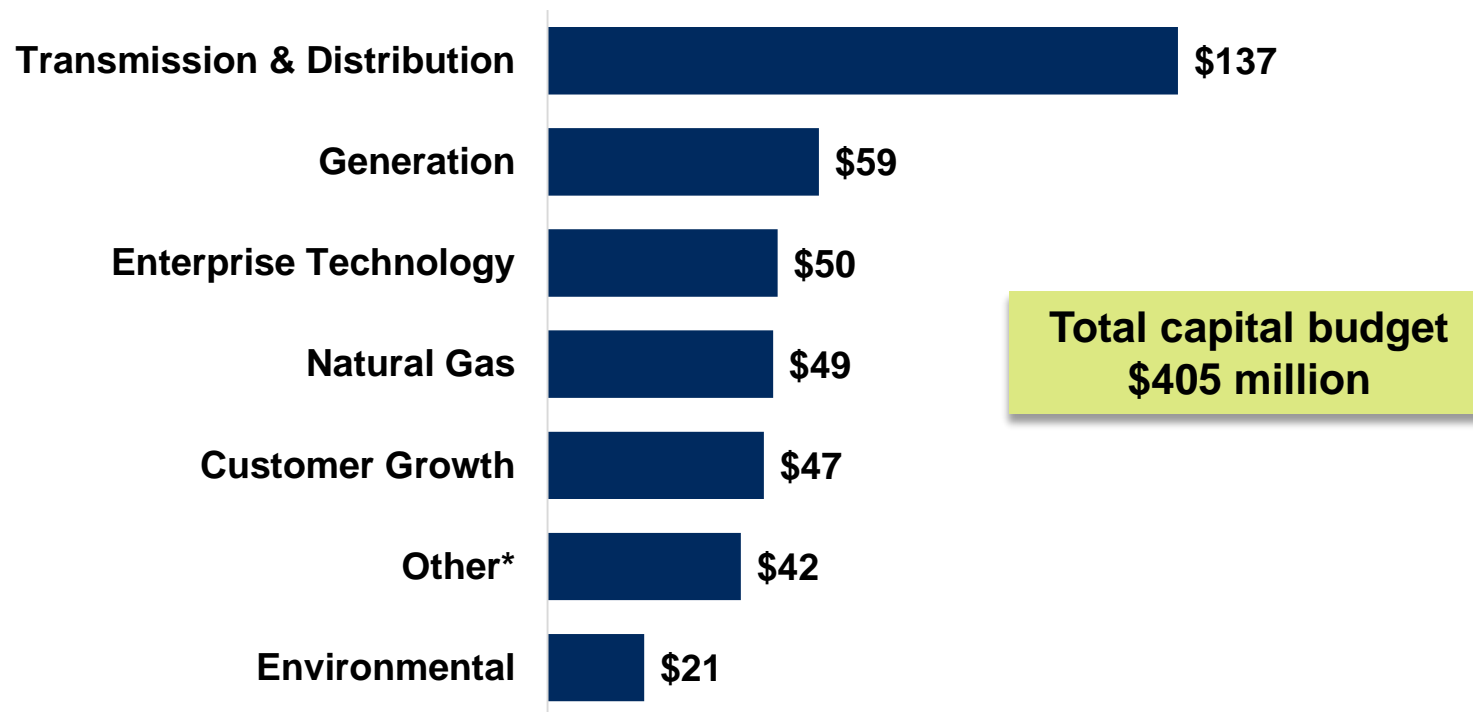
# 2017 Off to a Great Start

- Strong first quarter
  - On track to hit earnings targets for the year
- Increased dividend to \$0.3575 per share in February – 4.4% increase
- Confirmed 2017 consolidated earnings guidance

2017 Earnings Guidance	
Avista Utilities	\$1.71 – \$1.85
AEL&P	\$0.10 – \$0.14
Other	\$(0.01) – \$0.01
<b>Consolidated</b>	<b>\$1.80 – \$2.00</b>

# Low-Risk Rate Base Growth of 5% to 6%

## Avista Utilities 2017 Capital Budget (\$ millions)

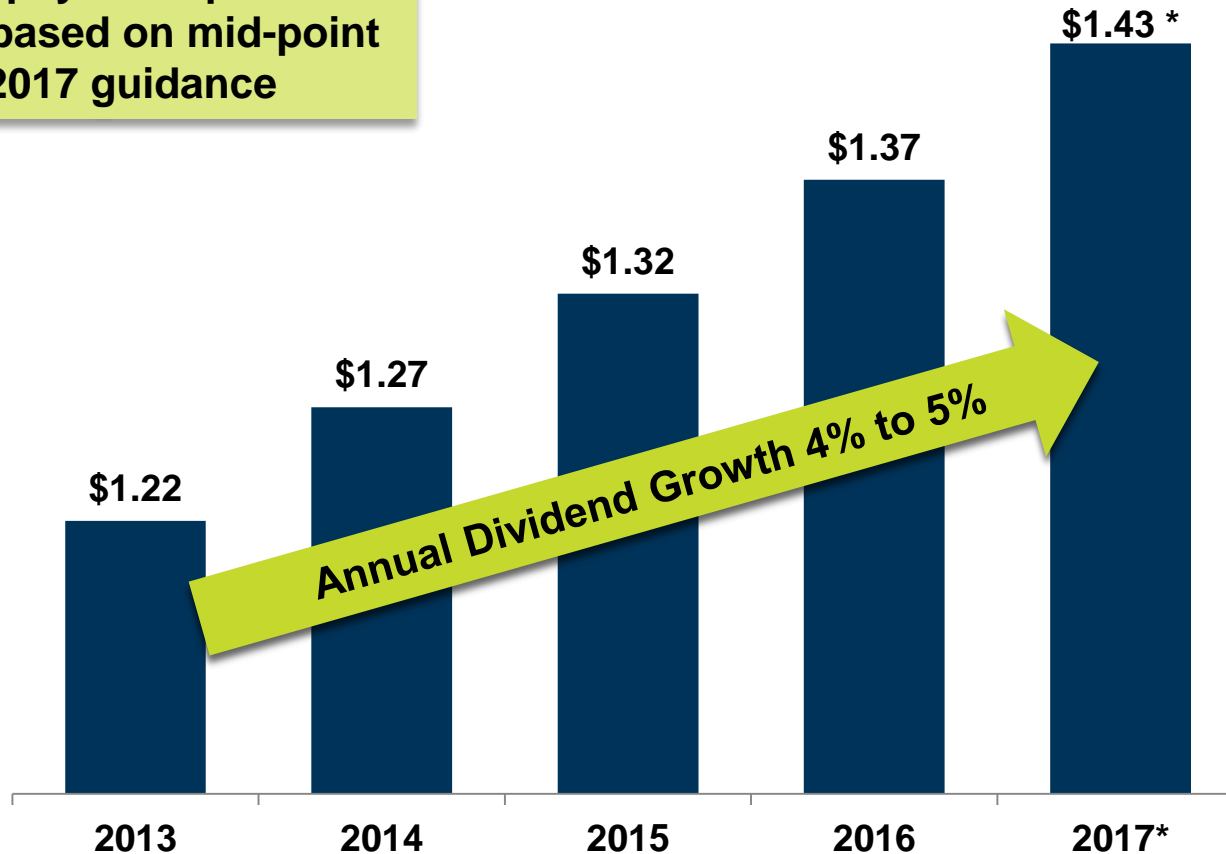


\* Other includes Facilities and Fleet

\*\* Excludes capital expenditures at AEL&P of \$7 million in 2017

# Attractive and Growing Dividend

Dividend payout expected to be 75% based on mid-point of 2017 guidance



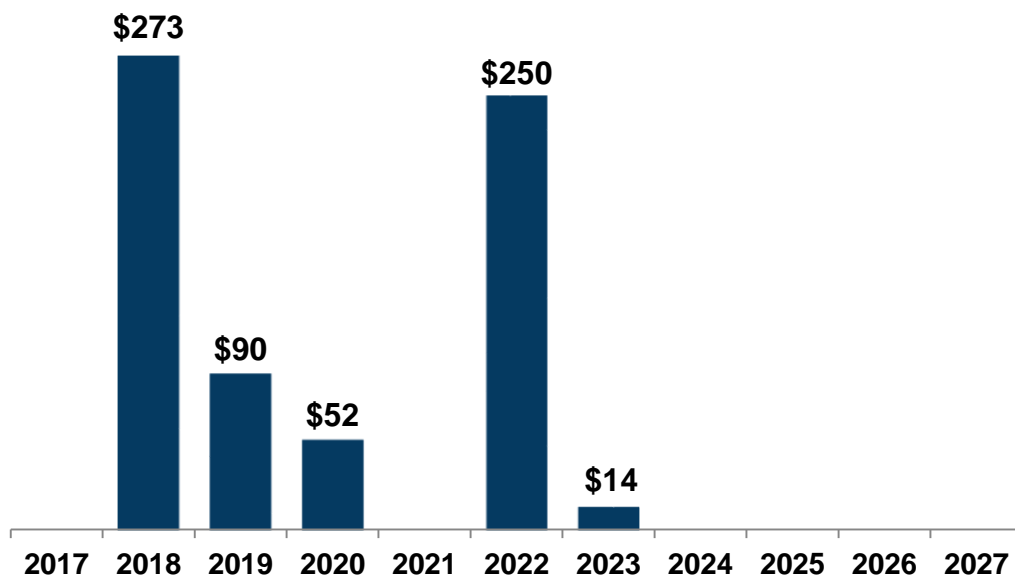
\*Current quarterly dividend of \$0.3575 annualized

# Prudent Balance Sheet and Liquidity

**\$252.9 million of available liquidity at Avista Corp. as of March 31, 2017**

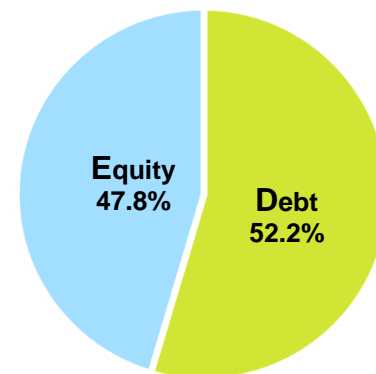
- In second half of 2017, expect to issue up to \$110.0 million of long-term debt and up to \$70.0 million of common stock in order to fund planned capital expenditures and maintain an appropriate capital structure

**No significant maturities until 2018**  
(\$ millions)



Additional long-term debt maturities beyond 2027 not shown

**Consolidated Capital Structure**  
March 31, 2017





# BUILDING A BRIGHTER FUTURE

2016 ANNUAL REPORT

