



Welcome

Third Quarter 2015 Earnings Webcast

November 4, 2015

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, 2014 and Quarterly Report on Form 10-Q for the quarter ended Sept. 30, 2015. 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>	Q3 2015	Q3 2014	YTD 2015	YTD 2014
Operating Revenues (continuing operations)	\$313,649	\$301,558	\$1,097,471	\$1,060,716
Income from Operations (continuing operations)	\$35,912	\$32,762	\$182,847	\$185,835
Net Income from continuing operations attributable to Avista Corp. Shareholders	\$12,722	\$10,506	\$84,221	\$89,236
Net Income from discontinued operations attributable to Avista Corp. Shareholders	\$289	\$(55)	\$485	\$70,585
Total Net Income attributable to Avista Corp. Shareholders	\$13,011	\$10,451	\$84,706	\$159,821

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

Avista Utilities	\$12,525	\$10,349	\$81,387	\$85,030
Alaska Electric Light and Power Company	\$394	\$511	\$3,953	\$511
Ecova (discontinued operations)	\$289	\$(55)	\$485	\$70,752
Other	\$(197)	\$(354)	\$(1,119)	\$3,528

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

Avista Utilities	\$0.20	\$0.16	\$1.30	\$1.38
Alaska Electric Light and Power Company	\$0.01	\$0.01	\$0.06	\$0.01
Ecova (discontinued operations)	—	\$0.00	\$0.01	\$1.15
Other	\$0.00	\$(0.01)	\$(0.02)	\$0.05
Total Earnings per diluted share attributable to Avista Corp. Shareholders	\$0.21	\$0.16	\$1.35	\$2.59
Earnings per diluted share from continuing operations	\$0.21	\$0.16	\$1.34	\$1.45
Earnings per diluted share from discontinued operations	—	\$0.00	\$0.01	\$1.14
Total Earnings per diluted share attributable to Avista Corp. Shareholders	\$0.21	\$0.16	\$1.35	\$2.59

Driving effective regulatory outcomes

Continued recovery of costs and capital investments

Washington



- May 4, 2015, filed a partial settlement agreement on cost of capital, net power supply costs and rate spread and rate design. Cost of capital based on 48.5% equity ratio and 9.5% return on equity.
- Sept. 4, 2015, filed rebuttal testimony, incorporating the partial settlement and further reducing our requested electric and natural gas revenue increases. For electric, reduced our requested revenue increase from \$17.0 million to \$3.6 million. For natural gas, reduced our requested revenue increase from \$11.3 million to \$10.3 million.
- Unsettled issues include capital investments and recovery of increased utility operating costs.
- Decision expected by Jan. 11, 2016.

Idaho



- Oct. 19, 2015, reached an all-party settlement agreement designed to increase annual electric base revenues by \$1.7 million and annual natural gas base revenues by \$2.5 million.
- Based on 50% equity ratio and 9.5% return on equity.
- Includes electric and natural gas decoupling mechanisms (Fixed Cost Adjustment).
- New rates would take effect Jan. 1, 2016.

Oregon



- May 1, 2015, filed a general rate case designed to increase natural gas revenues by \$8.6 million.
- Request based on 50% equity ratio and 9.9% return on equity.
- Includes a proposed natural gas decoupling mechanism.
- The Commission has up to 10 months to review.

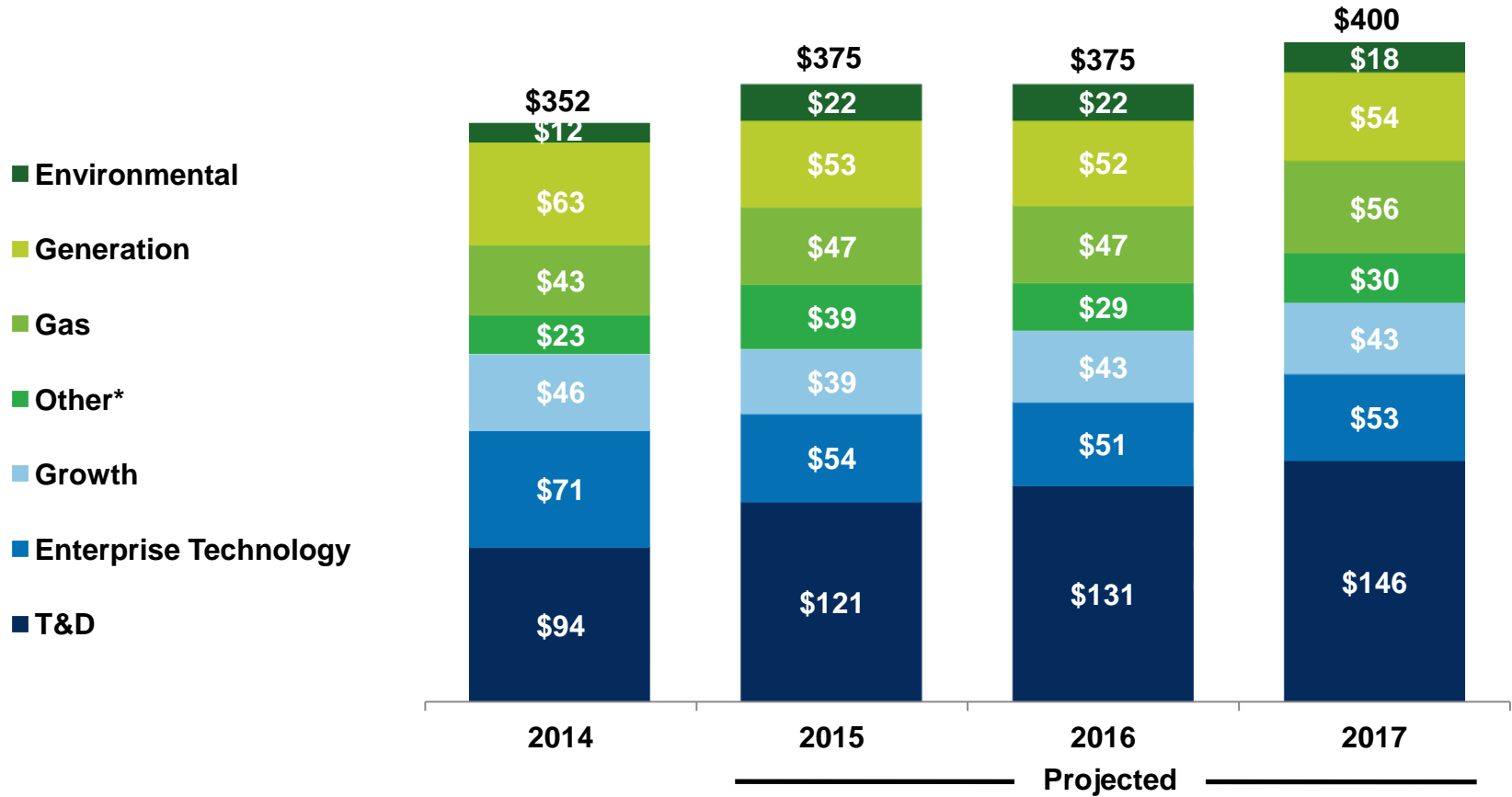
Strategic opportunities in Alaska



Significant investments to upgrade all systems

5% to 6% rate base growth

Avista Utilities Capital Expenditures**
(\$ millions)



* Other includes Facilities and Fleet

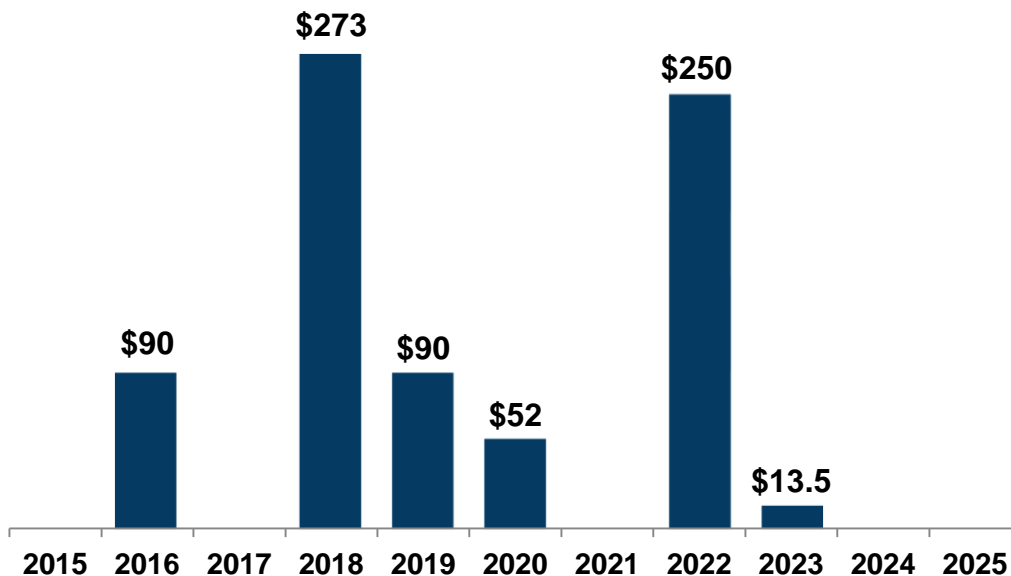
** Excludes planned capital expenditures at AEL&P of \$14 million in 2015, \$17 million in 2016 and \$13 million in 2017

Prudent balance sheet and liquidity

\$226.2 million of available liquidity at Avista Corp. as of Sept. 30, 2015

- In October, priced \$100 million of 4.37 percent* Avista Corp. first mortgage bonds with a maturity date of December 2045. Expect to issue December 2015.
- In 2016, expect to issue about \$155 million of long-term debt and about \$55 million of common stock

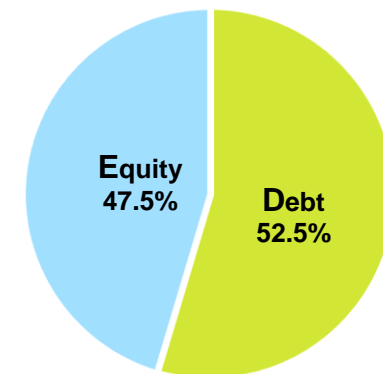
No significant maturities until 2018 (\$ millions)



Additional long-term debt maturities beyond 2025 not shown

*In connection with this pricing, we cash-settled five interest rate swap contracts (notional aggregate amount of \$75 million) and paid a total of \$9.3 million.

Consolidated Capital Structure September 30, 2015



Growth for 2015

2015 Earnings Guidance	
Avista Utilities	\$1.81 - \$1.95
AEL&P	\$0.08 - \$0.12
Other	\$(0.03) - \$(0.01)
Consolidated	\$1.86 - \$2.06

Guidance Assumptions

- Our outlook for Avista Utilities assumes, among other variables, normal precipitation and temperatures for the remainder of the year and includes the expected impact from decoupling in Washington. Also, for Avista Utilities we are estimating that we will have a provision for earnings sharing for our Washington electric operations and our Idaho operations.
- For Avista Utilities we are expecting below normal hydroelectric generation for the third quarter and normal hydroelectric generation for the fourth quarter of the year. Due to the strong generation through April, we are expecting hydroelectric generation to be about 93% of normal for the full year. Due to significantly warmer weather and reduced heating loads in the first quarter of 2015, we expect a reduction to annual consolidated earnings of approximately \$0.08 per diluted share.
- 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 2015 we expect to be in a benefit position under the ERM within the 90% customer/10% company sharing band, which is expected to add approximately \$0.06 per diluted share.

Questions?



Huntington Park, Spokane, Wash.

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