



**Welcome**

**First Quarter 2016 Earnings Webcast**

**May 4, 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 March 31, 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>	<b>Q1 2016</b>	<b>Q1 2015</b>
Operating Revenues	\$418,173	\$446,490
Income from Operations	\$106,085	\$89,575
Total Net Income attributable to Avista Corp. Shareholders	\$56,052	\$46,449

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

Avista Utilities	\$53,390	\$44,384
Alaska Electric Light and Power Company	\$2,961	\$2,634
Other	\$(299)	\$(569)

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

Avista Utilities	\$0.85	\$0.71
Alaska Electric Light and Power Company	\$0.05	\$0.04
Other	\$(0.01)	\$(0.01)
<b>Total Earnings per diluted share attributable to Avista Corp. Shareholders</b>	<b>\$0.89</b>	<b>\$0.74</b>

# Strategic opportunities in Alaska



# 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 on Jan. 1, 2017.
- The request also includes a second-step increase on Jan. 1, 2018 designed to increase electric revenues by 1.6% 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



- Expect to file electric general rate case in Idaho in the second quarter of 2016.

### Oregon

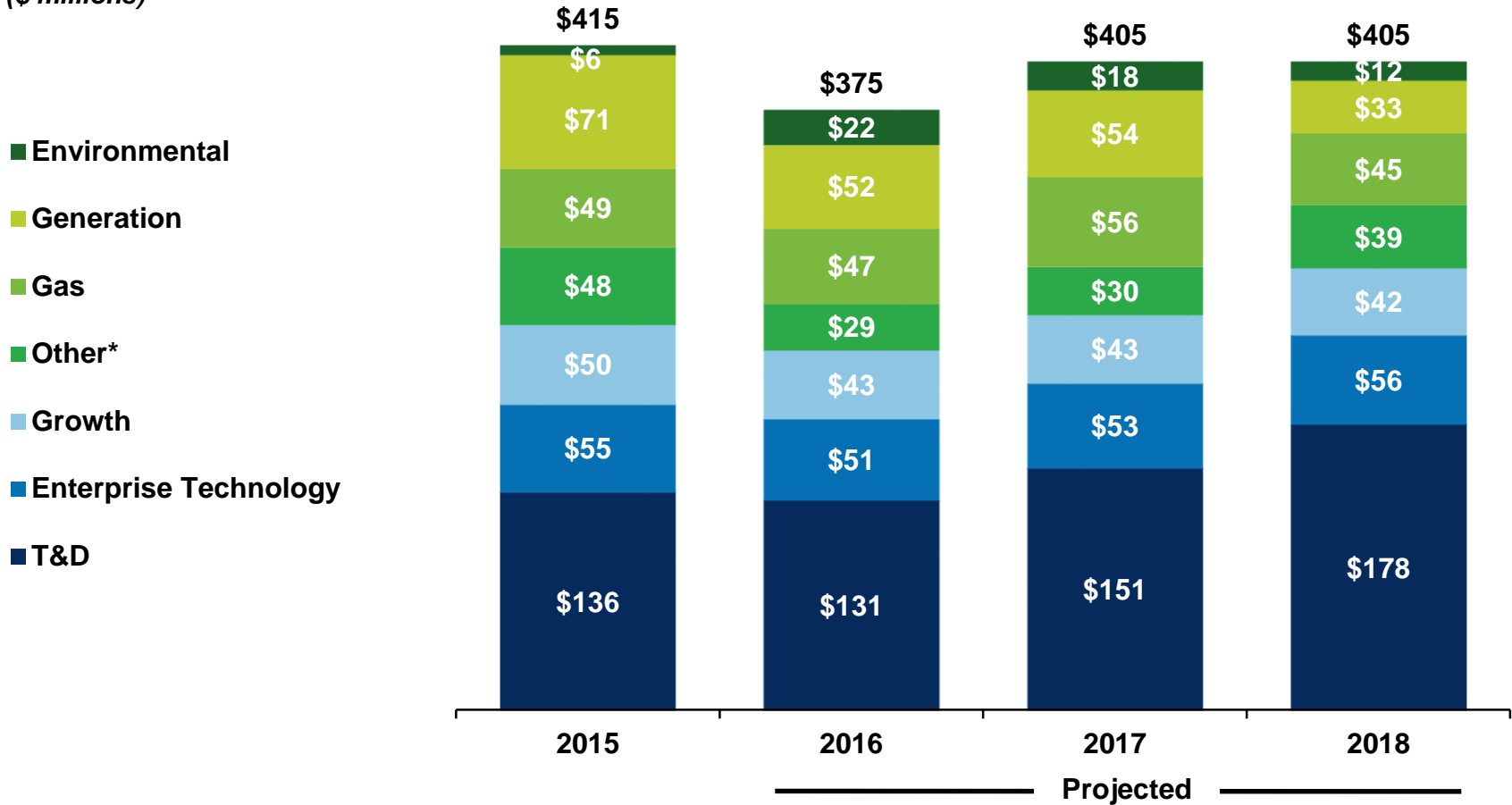


- Expect to file a natural gas general rate case in Oregon during the second half of 2016.

# Significant investments to upgrade all systems

## 5% to 6% rate base growth

**Avista Utilities Capital Expenditures\*\***  
(\$ millions)



\* Other includes Facilities and Fleet

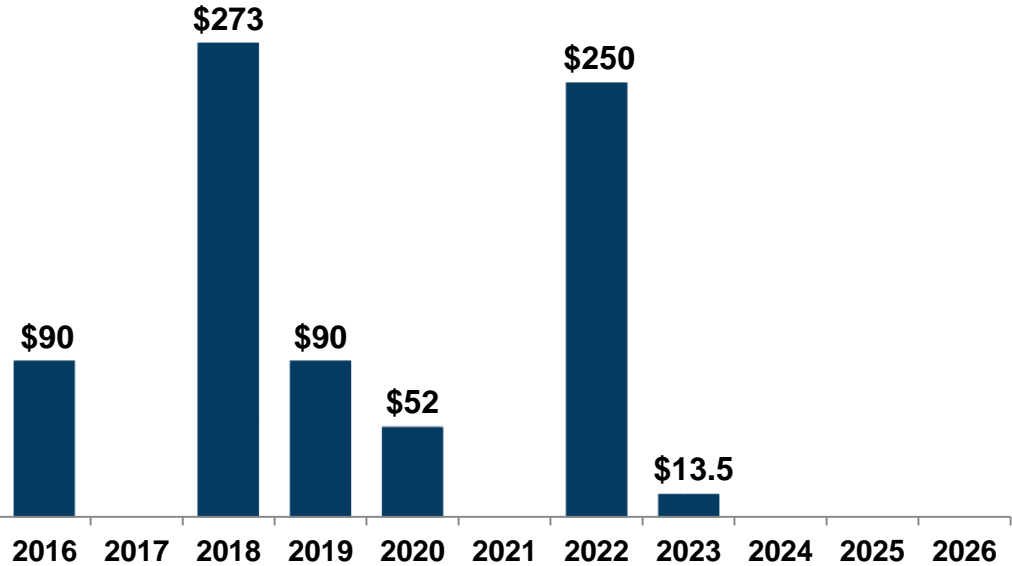
\*\* Excludes capital expenditures at AEL&P of \$13 million in 2015, and projected capital expenditures of \$17 million in 2016, \$13 million in 2017 and \$18 million in 2018

# Prudent balance sheet and liquidity

## \$263 million of available liquidity at Avista Corp. as of March 31, 2016

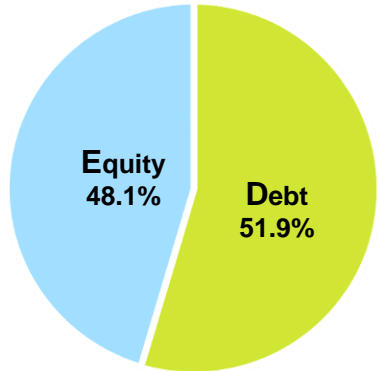
- In 2016, expect to issue about \$155 million of long-term debt and about \$55 million of common stock
- Issued 700,000 shares of common stock under our sales agency agreements for total net proceeds of approximately \$27 million as of March 31, 2016

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



Additional long-term debt maturities beyond 2026 not shown

### Consolidated Capital Structure March 31, 2016





# Growth for 2016

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

## 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 75 percent customers/25 percent company sharing band.

# Questions?



*Little Falls Dam, Spokane River, Wash.*

# Contact Information

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