

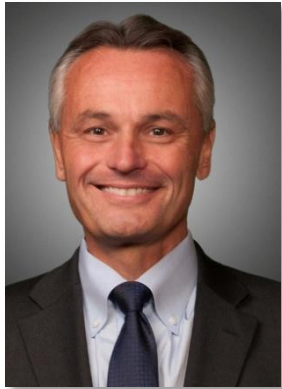


Welcome

**First Quarter 2015
Earnings Webcast**

May 6, 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



Christy Burmeister-Smith
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. 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>	Q1 2015	Q1 2014
Operating Revenues (continuing operations)	446,490	446,578
Income from Operations (continuing operations)	89,575	90,342
Net Income from continuing operations attributable to Avista Corp. Shareholders	46,449	47,476
Net Income from discontinued operations attributable to Avista Corp. Shareholders	—	1,023
Total Net Income attributable to Avista Corp. Shareholders	46,449	48,499

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

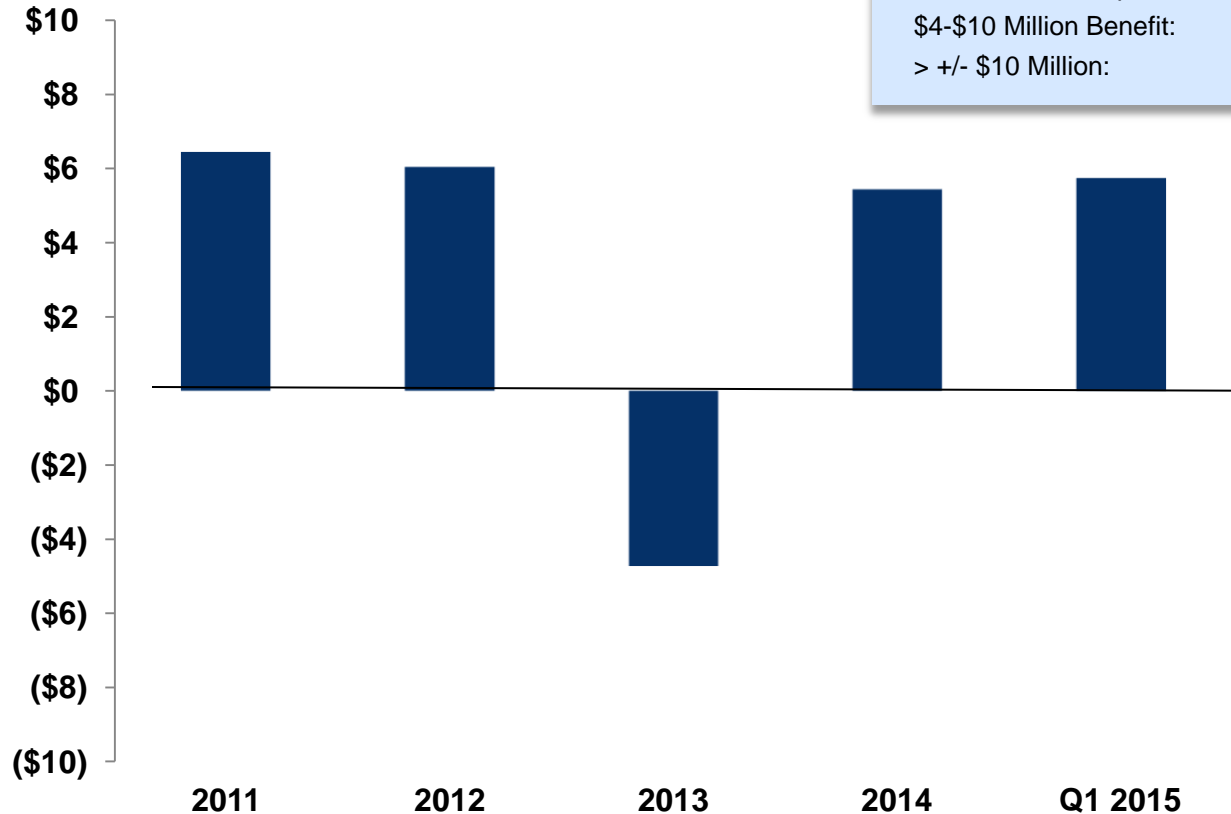
Avista Utilities	44,384	47,996
Alaska Electric Light and Power Company	2,634	—
Ecova (discontinued operations)	—	1,111
Other	(569)	(608)

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

Avista Utilities	0.71	0.80
Alaska Electric Light and Power Company	0.04	—
Ecova (discontinued operations)	—	0.02
Other	(0.01)	(0.01)
Total Earnings per diluted share attributable to Avista Corp. Shareholders	0.74	0.81
Earnings per diluted share from continuing operations	0.74	0.79
Earnings per diluted share from discontinued operations	—	0.02
Total Earnings per diluted share attributable to Avista Corp. Shareholders	0.74	0.81

Washington Electric Energy Recovery Mechanism (ERM)

Annual Benefit/(Expense) to Avista (\$ millions)



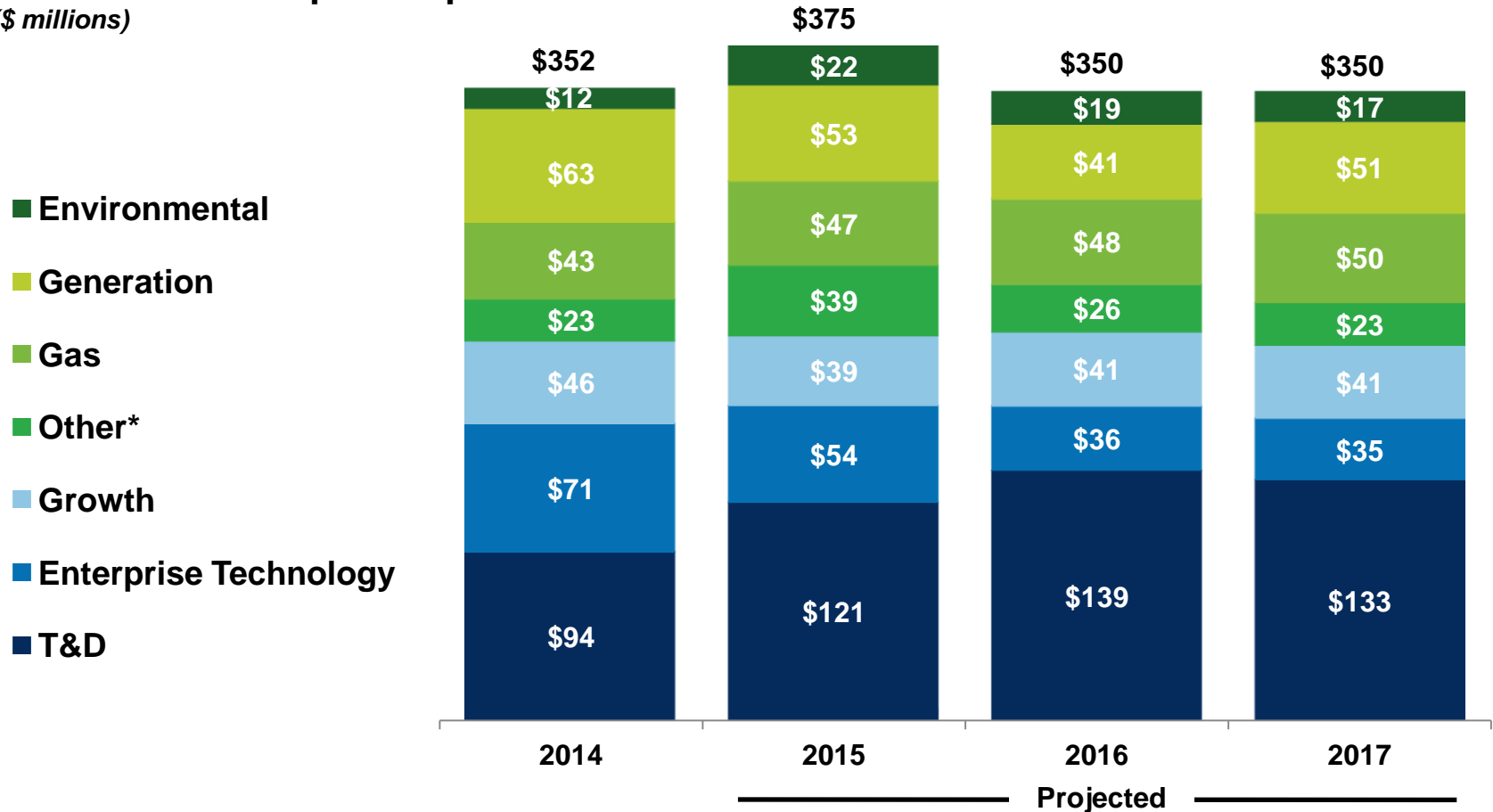
Power supply costs above or below the level in retail rates

\$0 +/- \$4 Million:	100% Company
\$4-\$10 Million Expense:	50% Company
\$4-\$10 Million Benefit:	25% Company
> +/- \$10 Million:	10% Company

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 \$15 million in 2015, 2016 and 2017

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. Based on 48.5% equity ratio and 9.5% return on equity. Includes a \$12.4 million reduction to net power supply costs.
- Original electric and natural gas revenue increase request filed on Feb. 9 was reduced from \$33.2 million to \$17.0 million, and from \$12.0 million to \$11.3 million, respectively due to the agreement.
- Remaining issues include capital investments and recovery of increased utility operating costs.

Oregon



- May 1, 2015, filed a general rate case designed to increase natural gas revenues by \$8.6 million. Based on 50% equity ratio and 9.9% return on equity. The PUC has up to 10 months to review the request.
- Approved revenue increase of \$5.0 million took effect April 16, 2015 following the approval of the all-party settlement agreement on April 9. New rates based on 51% equity ratio and 9.5% return on equity.

Idaho



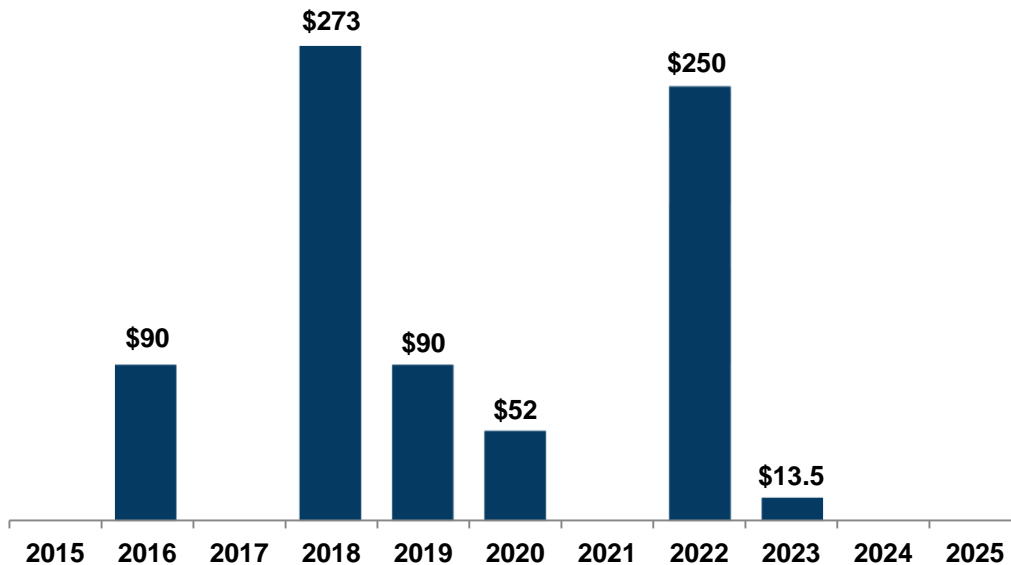
- Planning to file a general rate case on or after June 1, 2015.

Prudent balance sheet and liquidity

\$299.4 million of available liquidity at Avista Corp. as of Mar 31, 2015

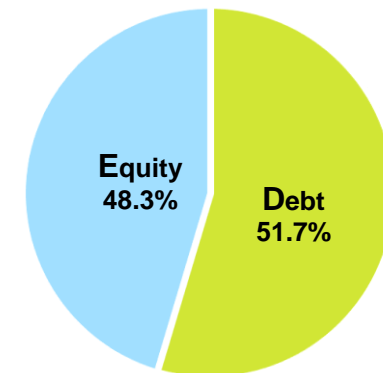
- We expect to issue up to \$125 million of long-term debt at Avista Corp. in 2015
- We do not expect to issue an equity in 2015, other than small amounts under the employee benefit plans

No significant maturities until 2018 (\$ millions)



Additional long-term debt maturities beyond 2025 not shown

Consolidated Capital Structure Mar. 31, 2015



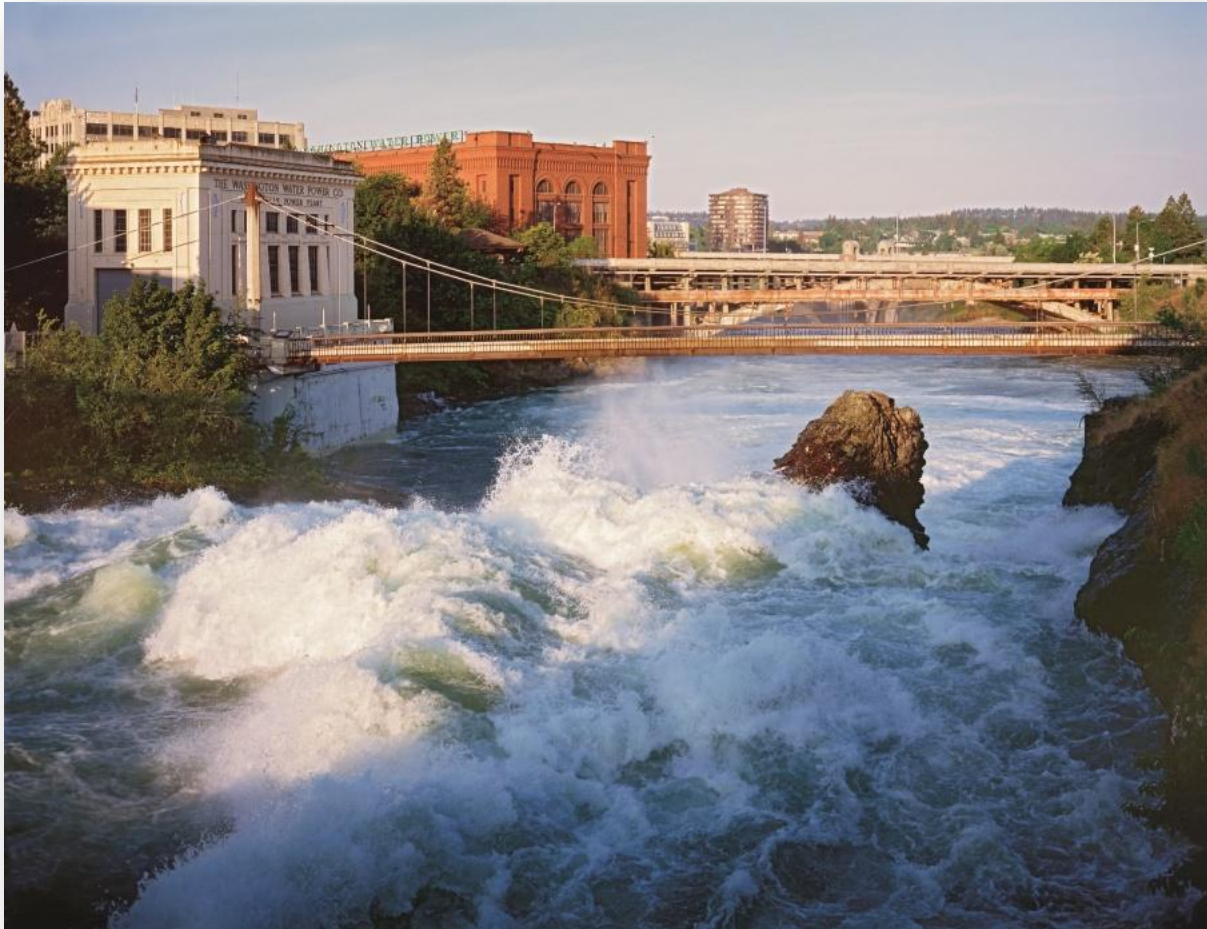
Growth for 2015

2015 Earnings Guidance	
Avista Utilities	\$1.81 - \$1.95
Alaska Electric Light and Power Company	\$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 expecting below normal hydroelectric generation for May through August and normal hydroelectric generation for the remainder of the year. Due to the strong generation through April, we are expecting above normal hydroelectric generation for the full year. Due to significantly warmer weather and reduced heating loads in the first quarter of 2015, we expect a reduction to Avista Utilities annual earnings of approximately \$0.08.
- 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 \$0.06 to \$0.07 per share to Avista Utilities' earnings.
- Our earnings guidance range previously assumed we would repurchase 4 million shares of common stock through our 2014 stock repurchase program by the end of 2014. By not reaching the targeted level of repurchases and in turn not issuing any common stock during 2015 other than those under employee plans, we expect earnings dilution of approximately \$0.03 per share in 2015.

Questions?



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