

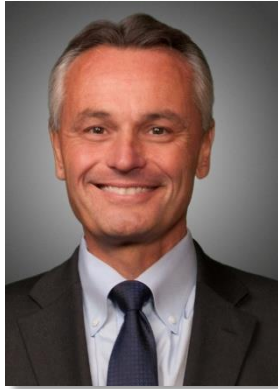


Welcome

Fourth Quarter 2017 Earnings Webcast

February 21, 2018

Call Participants



Scott Morris
Chairman and CEO



Dennis Vermillion
President



Mark Thies
Sr. VP and CFO



Ryan Krasselt
VP, Controller and
Principal Accounting Officer



Kevin Christie
VP, External Affairs,
and Chief Customer 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, 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.

Net Income (Loss) and Diluted EPS

<i>(\$ in thousands, except per-share data)</i>	Q4 2017	Q4 2016	Year 2017	Year 2016
Operating Revenues	\$397,862	\$402,123	\$1,445,929	\$1,442,483
Income from Operations	\$81,984	\$82,533	\$284,509	\$289,803
Total Net Income attributable to Avista Corp. Shareholders	\$27,578	\$40,091	\$115,916	\$137,228

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

Avista Utilities	\$29,093	\$38,059	\$114,716	\$132,490
Alaska Electric Light and Power Company	\$3,093	\$3,083	\$9,054	\$7,968
Other	\$(4,608)	\$(1,051)	\$(7,854)	\$(3,230)

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

Avista Utilities	\$0.44	\$0.59	\$1.77	\$2.07
Alaska Electric Light and Power Company	\$0.05	\$0.05	\$0.14	\$0.13
Other	\$(0.07)	\$(0.02)	\$(0.12)	\$(0.05)
Total Earnings per diluted share attributable to Avista Corp. Shareholders	\$0.42	\$0.62	\$1.79	\$2.15

Avista to be acquired by Hydro One

Key Transaction Terms

- Offer price of US\$53.00 per Avista common share in cash
 - Represents a 24% premium to Avista's closing price on July 18, 2017 of US\$42.74
- Equity purchase price of US\$3.4 billion (C\$4.4 billion)
- Total enterprise value of US\$5.3 billion (C\$6.7 billion), including Avista debt assumed
- Avista preserves corporate identity and maintains headquarters in Spokane

Timing and Approvals

- Shareholder approval obtained at special meeting on Nov. 21, 2017
- Filed for approval with all five state regulators and FERC
 - Received FERC approval
 - Requested state regulatory decisions by August 2018
 - Proposed customer rate credit of \$31.5 million over 10 years
- Expect to file other regulatory approvals in 2018
- Expected closing date in the second half of 2018

Driving Effective Regulatory Outcomes

Recovery of costs and capital investments

Alaska

- Nov. 15, 2017, all-party settlement agreement approved by Regulatory Commission of Alaska designed to increase base revenues by 3.86% or \$1.3 million, the level of interim rates that went into effect Nov. 23, 2016.
- Previously approved additional \$2.9 million annually from interruptible service will be decreased to \$2.06 million annually; a one-time \$0.9 million credit will be credited back to customers through the Cost of Power Adjustment (COPA).
- Based on a 58.18% equity ratio and an 11.95% return on equity.



Idaho

- Dec. 28, 2017, the Idaho Public Utilities Commission approved a multi-party settlement agreement designed to increase annual electric base revenues by \$12.9 million, or 5.2 percent, effective Jan. 1, 2018, and by \$4.5 million, or 1.8 percent, effective Jan. 1, 2019.
- For natural gas, the settlement agreement is designed to increase annual base revenues by \$1.2 million, or 2.9 percent, effective Jan. 1, 2018, and by \$1.1 million, or 2.7 percent on Jan. 1, 2019.
- Based on 50% equity ratio and 9.5% return on equity.



Oregon

- Sept. 13, 2017, received Commission approval of an all-party settlement agreement designed to increase annual natural gas base revenues by 5.9% or \$3.5 million.
- Rate adjustment of \$2.6 million was effective Oct. 1, 2017, and a second adjustment of \$0.9 million was effective Nov. 1, 2017.
- Based on 50% equity ratio and 9.4% return on equity.



Driving Effective Regulatory Outcomes

Recovery of costs and capital investments

Washington



- May 26, 2017, filed an electric and natural gas rate request designed to increase annual electric revenues by \$61.4 million and annual natural gas revenues by \$8.3 million, effective May 1, 2018.
 - Dec. 1, 2017, filed updated revenue requirements in rebuttal testimony due to timing of capital projects.
- Requests based on a 9.9% return on equity with a 50% common equity ratio.

Three-Year Rate Plan

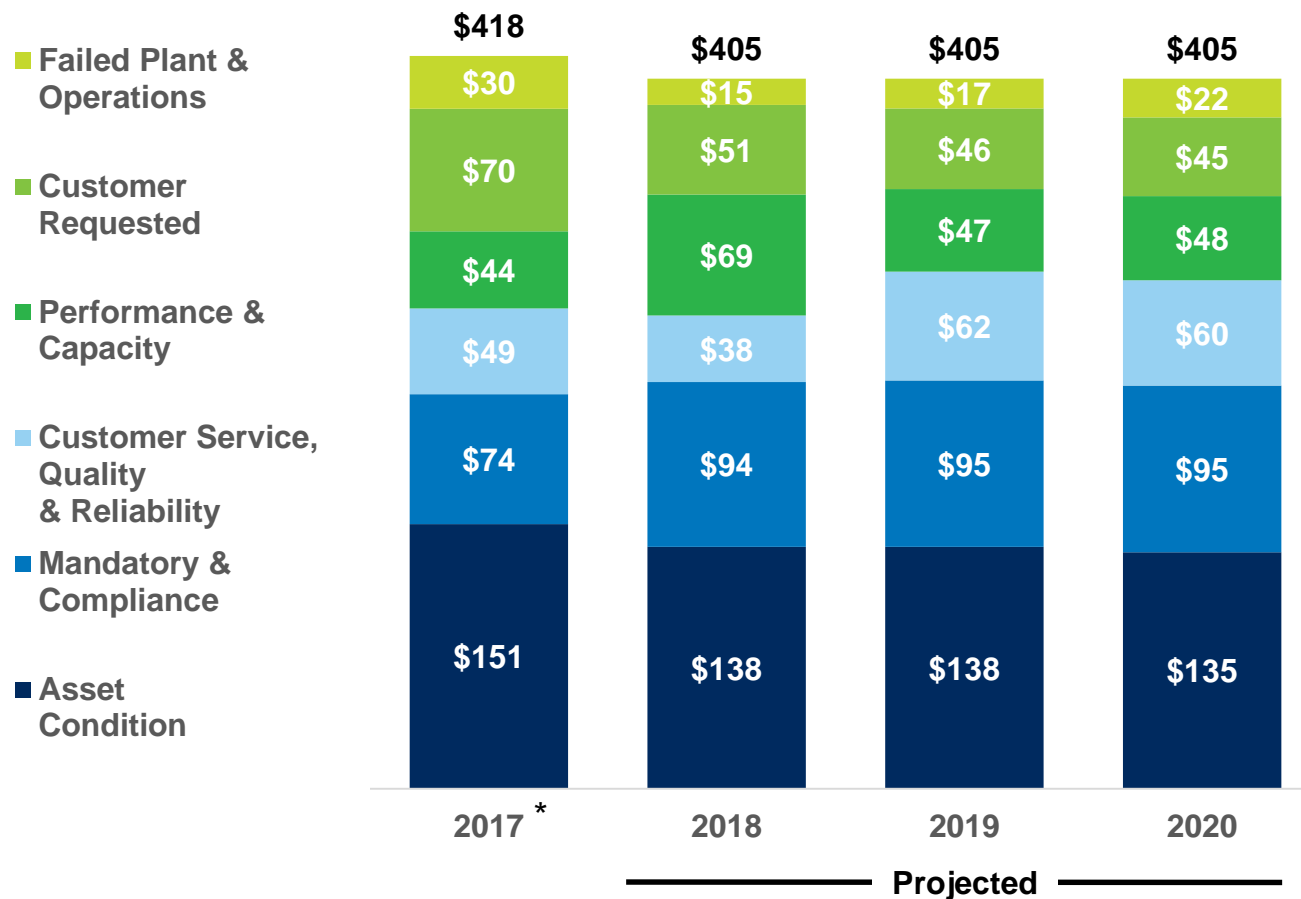
- New rates will take effect May 1, 2018, with annual increases in May 2019 and May 2020.
- Power supply costs would be updated each year (on Rebuttal, only update power supply costs in Year 1).
- No new general rate cases would be filed with new rates effective prior to May 1, 2021.

	ELECTRIC			NATURAL GAS		
	Filed Revenue Increase	Filed Base % Increase	Rebuttal Revenue Increase	Filed Revenue Increase	Filed Base % Increase	Rebuttal Revenue Increase
May 1, 2018	\$61.4M	12.5%	\$54.4M	\$8.3M	9.3%	\$6.6M
May 1, 2019	\$14.0M*	2.5%	\$13.5M	\$4.2M	4.4%	\$3.7M
May 1, 2020	\$14.4M*	2.5%	\$13.9M	\$4.4M	4.4%	\$3.8M

*Excludes power supply adjustment

Investments to upgrade our systems

5% to 6% rate base growth



Excludes capital expenditures at AEL&P of \$6.4 million in 2017 and projected capital expenditures of \$7 million in 2018, \$8 million in 2019, and \$7 million in 2020

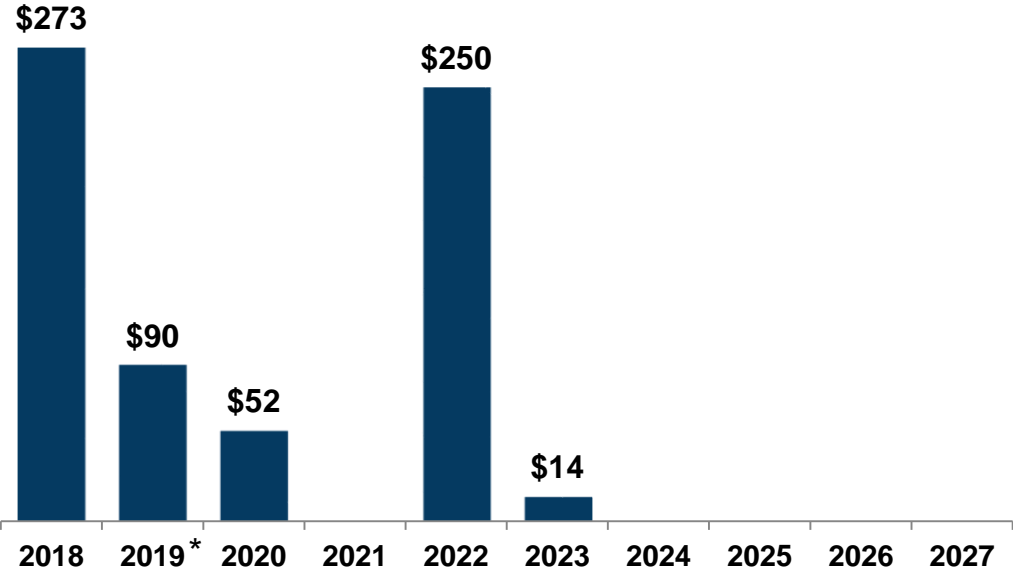
*Includes AFUDC and amounts accrued at year-end

Prudent Balance Sheet and Liquidity

\$261 million of available liquidity at Avista Corp. as of December 31, 2017

- Issued and sold \$90 million of first mortgage bonds with a coupon of 3.91% due in 2047
- Issued 1.3 million shares of common stock for total net proceeds of \$56 million
- In 2018, we expect to issue approximately \$375 million of long-term debt and up to \$85 million of equity.
 - Equity issuances may come from sales agency agreements or from an equity contribution from Hydro One upon consummation of the acquisition or from a combination of those sources

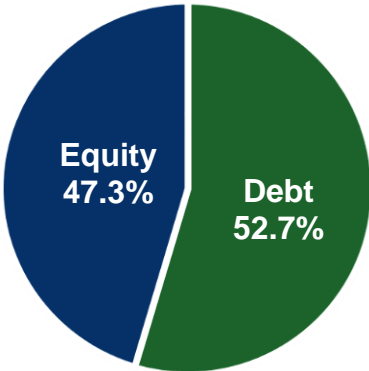
Significant maturity in 2018
(\$ millions)



Additional long-term debt maturities beyond 2027 not shown

*Excludes debt maturities of \$15 million at Alaska Energy and Resources Company in 2019

Consolidated Capital Structure
Dec. 31, 2017



Questions?



Upper Falls, Spokane, Wash.

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