



Welcome

Third Quarter 2016 Earnings Webcast

November 1, 2016

Call Participants



Scott Morris
Chairman, President
and CEO



Mark Thies
Sr. VP and CFO



Kelly Norwood
VP, State and
Federal Regulation

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 Sept. 30, 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>	Q3 2016	Q3 2015	YTD 2016	YTD 2015
Operating Revenues	\$303,349	\$313,649	\$1,040,360	\$1,097,471
Income from Operations	\$39,594	\$35,912	\$207,270	\$182,847
Total Net Income attributable to Avista Corp. Shareholders	\$12,234	\$13,011	\$97,137	\$84,706

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

Avista Utilities	\$12,673	\$12,525	\$94,431	\$81,387
Alaska Electric Light and Power Company	\$866	\$394	\$4,885	\$3,953
Ecova (discontinued operations)	---	\$289	---	\$485
Other	\$(1,305)	\$(197)	\$(2,179)	\$(1,119)

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

Avista Utilities	\$0.20	\$0.20	\$1.49	\$1.30
Alaska Electric Light and Power Company	\$0.01	\$0.01	\$0.08	\$0.06
Ecova (discontinued operations)	---	---	---	\$0.01
Other	\$(0.02)	---	\$(0.04)	\$(0.02)
Total Earnings per diluted share attributable to Avista Corp. Shareholders	\$0.19	\$0.21	\$1.53	\$1.35

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 effective Jan. 1, 2017.
- The request also includes a second-step increase on Jan. 1, 2018, designed to increase electric revenues by 3.9% 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



- Oct. 21, 2016, reached an all-party settlement agreement designed to increase annual electric base revenues by 2.5% or \$6.3 million.
- Settlement also includes continued recovery of \$4.1 million of costs related to Palouse Wind Project through the PCA mechanism.
- Based on a 9.5% return on equity with a 50.0% common equity ratio.
- New rates would be effective Jan. 1, 2017.

Oregon



- Expect to file a natural gas general rate case in Oregon in the fourth quarter of 2016.

Alaska

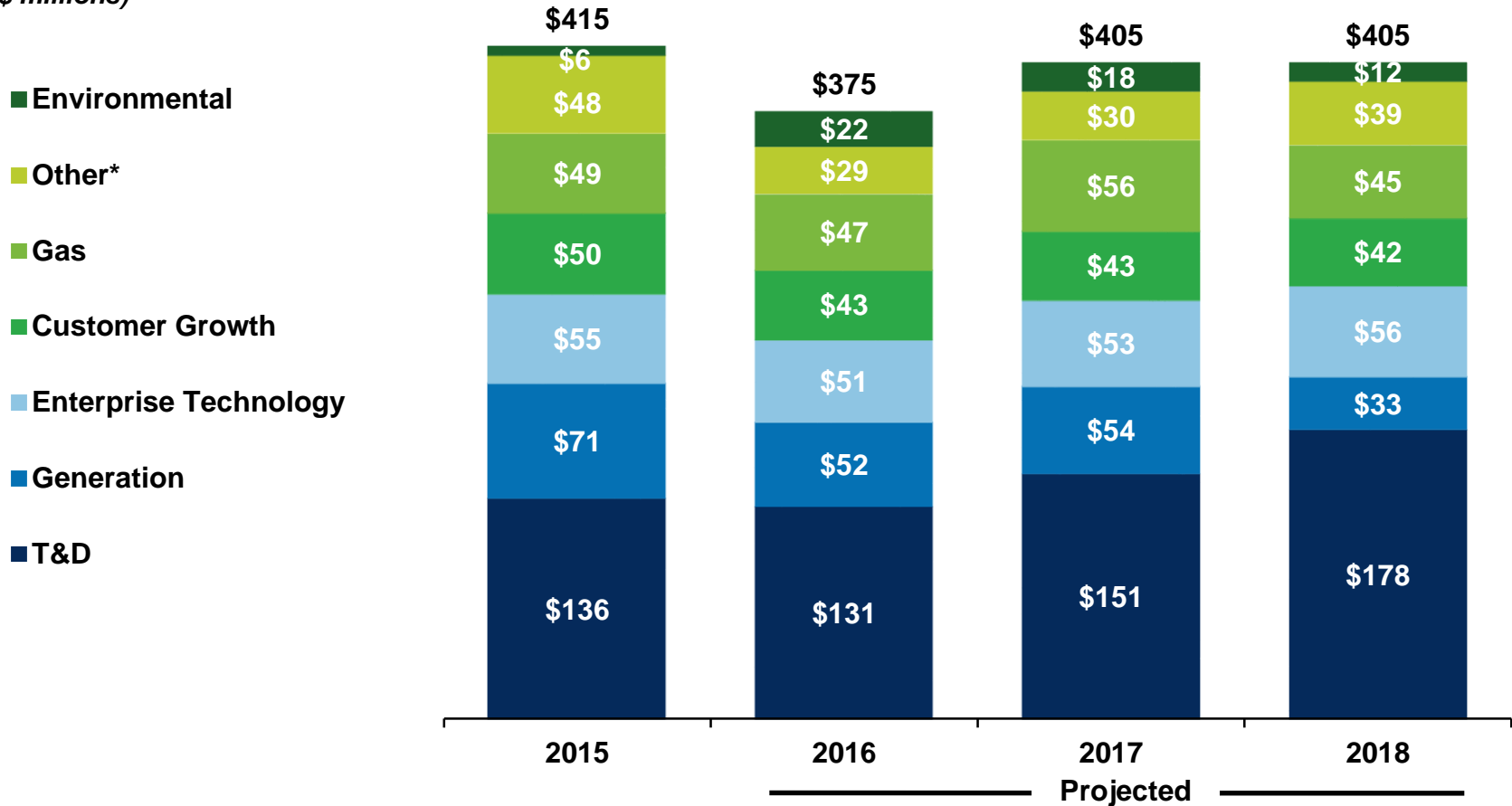


- Sept. 16, 2016, filed an electric general rate request to increase firm revenues by 8.1% or \$2.8 million.
- An interim rate increase of 3.86% or \$1.3 million effective as early as Nov. 23, 2016, and a permanent increase of an additional 4.24% or \$1.5 million to be effective December 2017.
- Also requesting to retain an additional \$2.9 million annually from revenues from interruptible service.
- Previous rate increase was May 2010.
- The RCA has approximately 15 months to rule on the permanent rate increase.

Significant investments to upgrade all systems

5% to 6% rate base growth

Avista Utilities Capital Expenditures**
(\$ millions)



* Other includes Facilities and Fleet

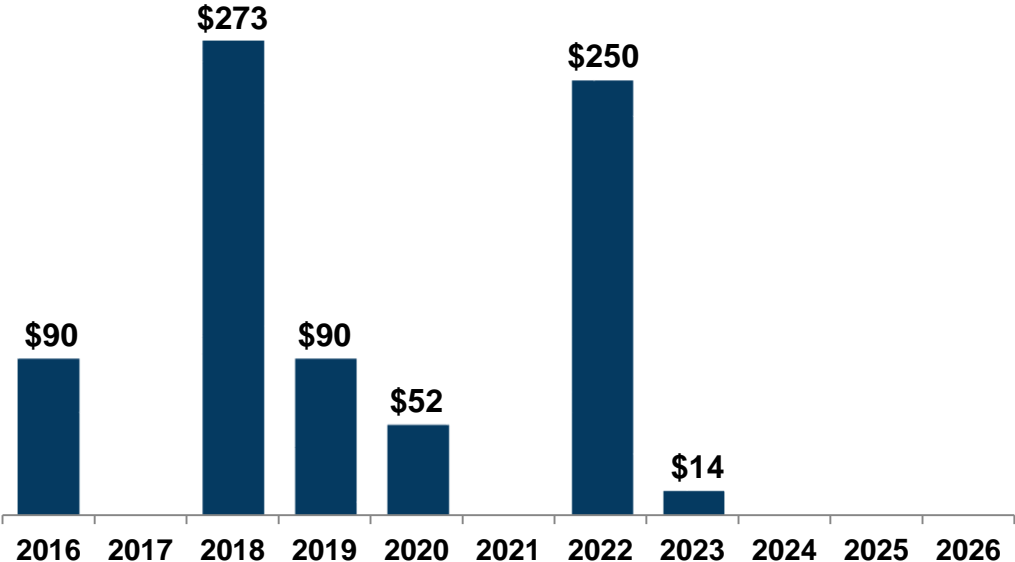
** Excludes capital expenditures at AEL&P of \$13 million in 2015, and projected capital expenditures of \$17 million in 2016, \$13 million in 2017 and \$18 million in 2018

Prudent balance sheet and liquidity

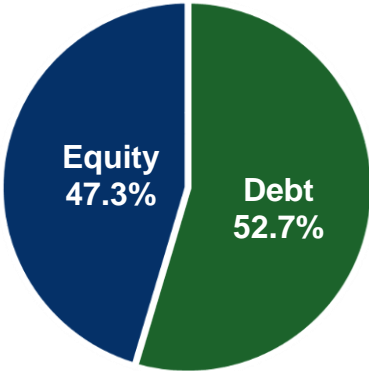
\$139.8 million of available liquidity at Avista Corp. as of Sept. 30, 2016

- Executed a \$70.0 million term loan agreement with an expiration date of Dec. 30, 2016, which was used to repay a portion of \$90.0 million bond maturity in August
- In August priced \$175 million of Avista Corp. first mortgage bonds with a coupon of 3.54% and maturity date of December 2051. Expect to issue December 2016
- Issued 1.6 million shares of common stock under our sales agency agreements for total net proceeds of approximately \$66 million as of Sept. 30, 2016

No significant maturities until 2018
(\$ millions)



Consolidated Capital Structure
Sept. 30, 2016



Additional long-term debt maturities beyond 2026 not shown

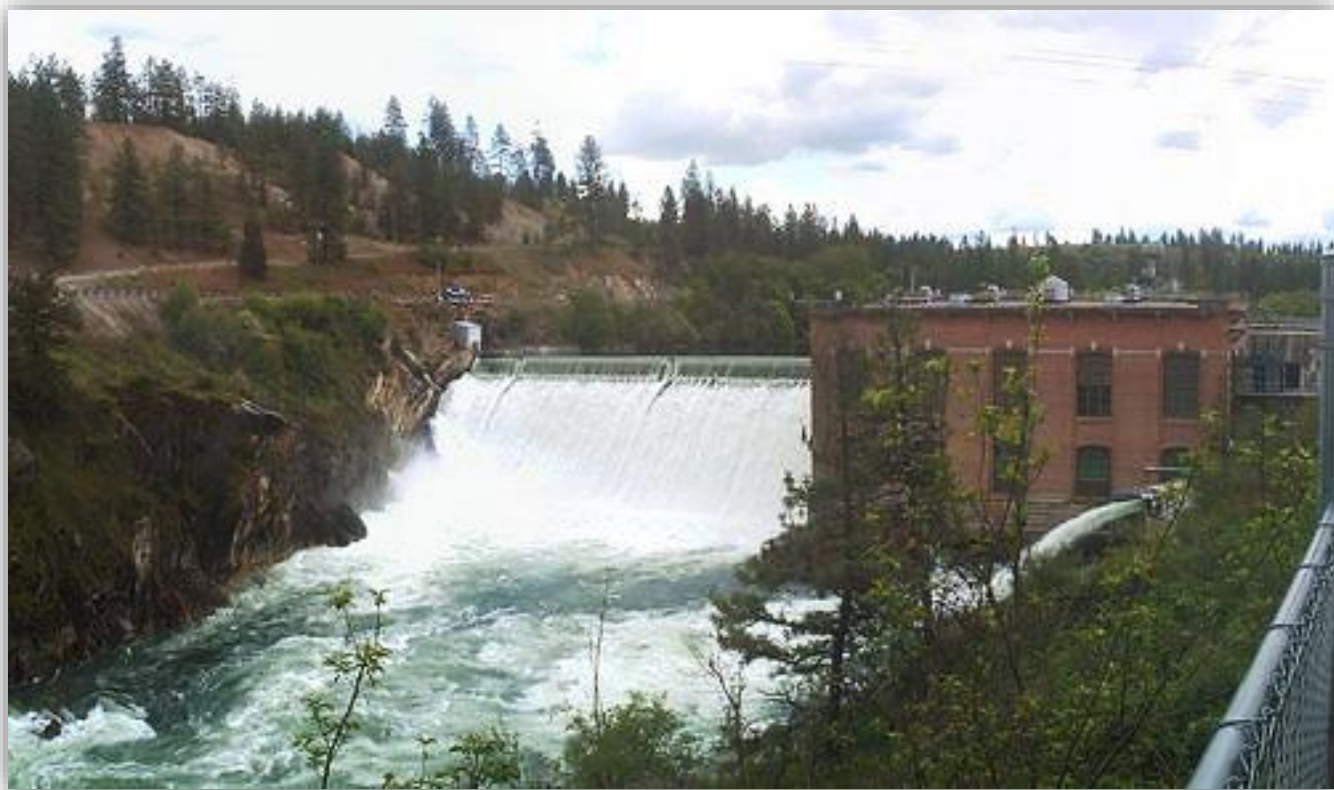
Growth for 2016

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

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 \$4.0 million deadband.

Questions?



*Nine Mile Falls Dam
Spokane, Wash.*

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