



Avista receives Commission decision in Washington electric and natural gas rate cases

April 27, 2018

Federal tax law changes to benefit customers

SPOKANE, Wash., April 27, 2018 (GLOBE NEWSWIRE) -- Avista's (NYSE:AVA) electric and natural gas general rate cases have concluded, with an order issued by the Washington Utilities and Transportation Commission (Commission or UTC). The Commission approved one-time electric and natural gas rate adjustments which will take effect May 1, 2018.

The Commission's order approved electric rates designed to increase annual billed revenues by \$10.8 million, or 2.1 percent and natural gas rates designed to decrease annual billed revenues by \$2.1 million, or 1.6 percent. These revenues include the return to customers through base rates of approximately \$26.9 million for electric service, and \$5.5 million for natural gas service, as a result of the federal Tax Cuts and Jobs Act, which went into effect on Jan. 1, 2018.

The Commission's decision reflects a 9.5 percent return on equity (ROE) and a 48.5 percent equity layer. The rate of return is 7.50 percent.

"The Commission's order allows us the opportunity to earn a fair return in 2018 and provides cost recovery for a portion of the capital projects in our request that are now serving our customers," Avista Chairman and Chief Executive Officer Scott L. Morris said. "We're also pleased to be able to return to our customers benefits resulting from the federal Tax Cuts and Jobs Act through their rates."

"As we look ahead, we will consider the appropriate approach for future cost recovery. Right now we will stay focused on the current matters before the Commission. As these are resolved, we will engage with the Commission, Staff and other parties in an effort to better align expectations regarding Avista's ongoing capital investments prior to filing future general rate cases," Morris said.

In its order, the Commission recognized changes in power supply contracts and made adjustments in the approved electric revenue increases that account for these changes.

Avista anticipates issuing 2018 earnings guidance during the first quarter 2018 earnings call on May 2, 2018.

Residential Customer Bills

Overall, as a result of the Commission's order, customers will see the following changes to their bills beginning May 1, 2018:

- A residential electric customer using an average of 938 kilowatt hours per month will see a bill increase of \$1.87 or 2.2 percent for a revised monthly bill of \$88.45.
- A residential natural gas customer using an average of 65 therms per month will see a bill decrease of \$0.77 or 1.5 percent for a revised monthly bill of \$52.03.

The actual percentage increase for electric customers and decrease for natural gas customers would depend on how much energy a customer uses.

Avista serves more than 246,000 electric and nearly 156,800 natural gas customers in Washington.

Customer Resources

To assist customers in managing their energy bills, Avista offers services for customers such as comfort level billing, payment arrangements and Customer Assistance Referral and Evaluation Services (CARES), which provide assistance to special-needs customers through referrals to area agencies and churches for help with housing, utilities, medical assistance and other needs. Avista also provides funding for energy assistance programs Project Share and the company's Low Income Rate Assistance Program, which are administered through community action agencies.

Avista provides energy efficiency and outreach programs that include rebates and incentives as well as tips and resources to help customers manage their energy use and energy bills. Customers can learn more at www.myavista.com.

About Avista Corp.

Avista Corp. is an energy company involved in the production, transmission and distribution of energy as well as other energy-related businesses. Avista Utilities is the operating division that provides electric service to 382,000 customers and natural gas to 347,000 customers. Its service territory covers 30,000 square miles in eastern Washington, northern Idaho and parts of southern and eastern Oregon, with a population of 1.6 million. Alaska Energy and Resources Company is an Avista subsidiary that provides retail electric service in the city and borough of Juneau, Alaska, through its subsidiary Alaska Electric Light and Power Company. Avista stock is traded under the ticker symbol "AVA." For more information about Avista, please visit www.avistacorp.com.

This news release contains forward-looking statements regarding the company's current expectations. Forward-looking statements are all statements other than historical facts. Such statements speak only as of the date of the news release and are subject to a variety of risks and uncertainties, many of which are beyond the company's control, which could cause actual results to differ materially from the expectations. These risks and uncertainties include, in addition to those discussed herein, all of the factors discussed in the company's Annual Report on Form 10-K for the year ended Dec. 31, 2017.

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