



Positioned for performance: An overview of Q3 2016 and beyond

EEI Financial Forum
Phoenix, Arizona
November 2016

Disclaimer

All forward-looking statements are Avista management's present expectations of future events and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements.

For more information on such factors and uncertainties, consult Avista's most recent form 10-K and 10-Q, which are available on our website at www.avistacorp.com

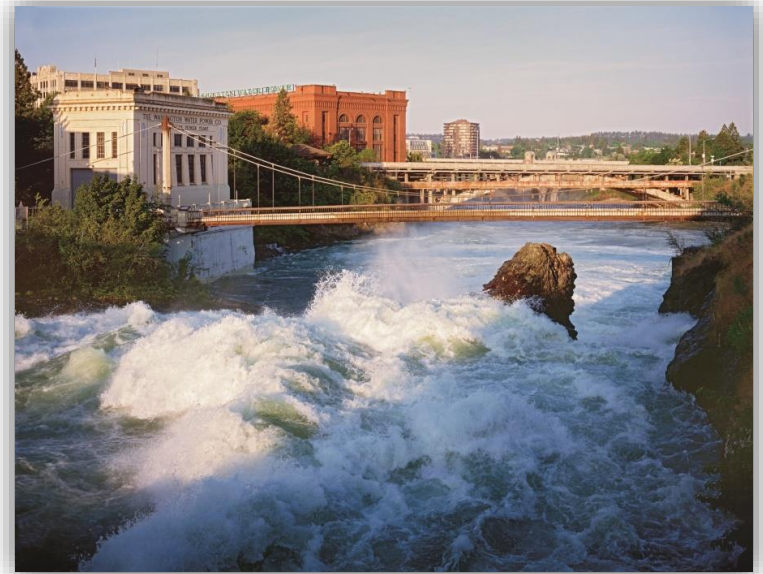
Strong and stable utility core

Avista Utilities

- Regulated electric and natural gas operations
- Serves customers in Washington, Idaho and Oregon
- Contributes about 95% of earnings

Alaska Electric Light & Power Company (AEL&P)

- Regulated electric operations
- Serves customers in City and Borough of Juneau



***Long history of service, trust,
innovation and collaboration***

Photo: Spokane River Upper Falls

Steadily building long-term value

Projecting long-term earnings and dividend growth of 4% to 5%

Avista Utilities

- 5% to 6% rate base growth through utility capital investments
 - Upgrading infrastructure
 - Grid modernization
- Customer and load growth ~1%

AEL&P

- Strong near-term rate base growth through investment in generation
- Customer and load growth ~1%
- Planning to bring natural gas to Juneau

Strategic Investments

- Developing platforms for future growth
 - Targeting expanded natural gas services via LNG*
 - Exploring data science and advanced analytics
 - Investing in emerging technologies

*Reliably building value for our customers,
investors, communities and employees*

*LNG: Liquefied natural gas

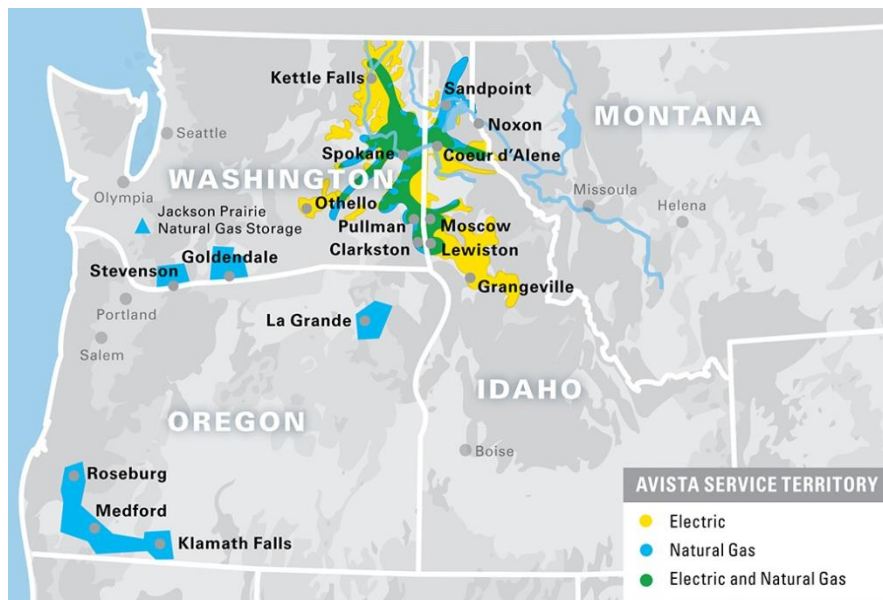
Avista Utilities

Significant investments in utility infrastructure

Solid foundation and continued commitment to innovation

Providing safe and reliable service for 127 years

- Diverse customer base
 - 30,000 square mile service territory
 - Service area population 1.6 million
 - 375,000 electric customers
 - 335,000 natural gas customers
- Strong customer focus
 - 90% percent or better customer satisfaction ratings every year since 1999
 - Developing key customer initiatives
- Invested in our communities
 - More than \$1.5 million per year in charitable donations and over 48,000 volunteer hours from our employees



Information as of Dec. 31, 2015

A responsible mix of generation

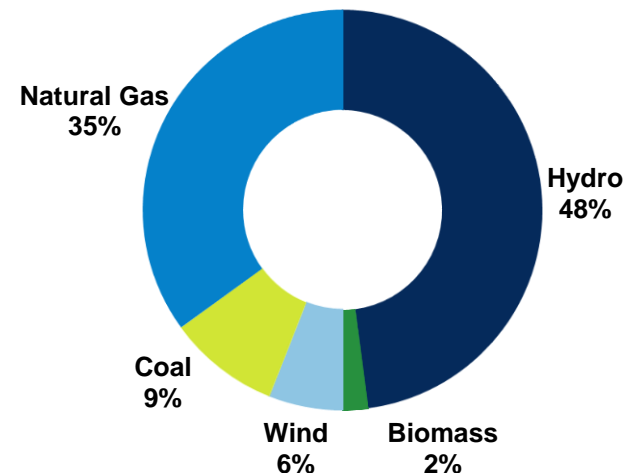
Founded on clean, renewable hydropower

- Strategy is to control a portfolio of resources that responsibly meet our long-term energy needs
- Long resources through 2020; plan to add 96 MW natural gas peaker by the end of 2020
- Exceeds Washington state's 15% Renewable Portfolio Standard for the next 20 years



Post Falls Dam, Idaho

Avista Utilities Electricity Generation Resource Mix*
Dec. 31, 2015

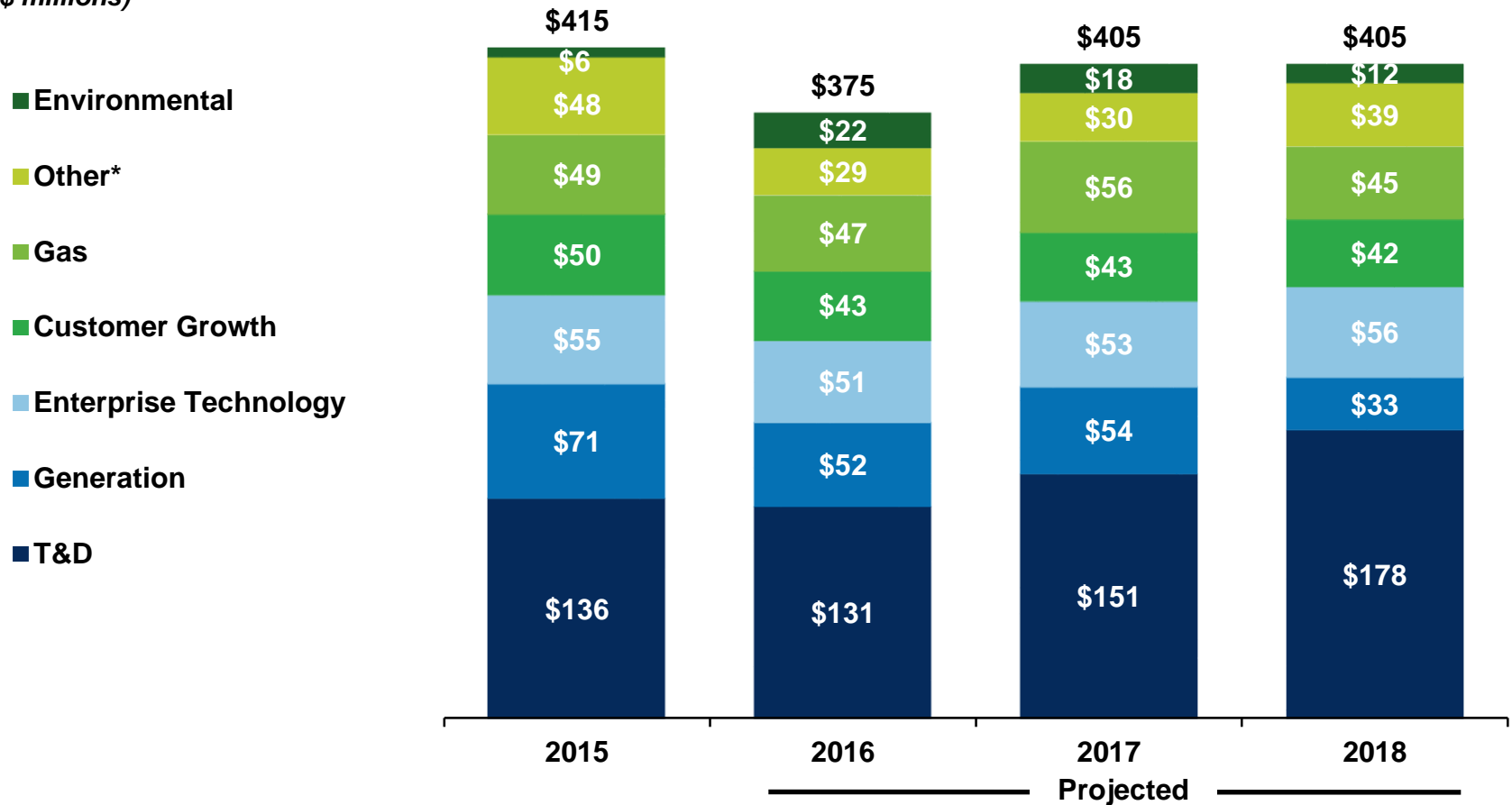


*Based on maximum capacity
Excludes AEL&P

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

Investing in our utility

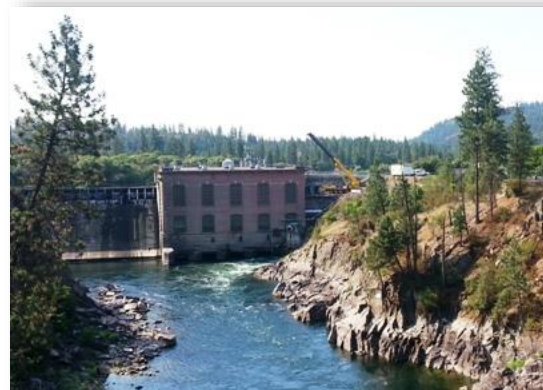
Preserving and enhancing service reliability



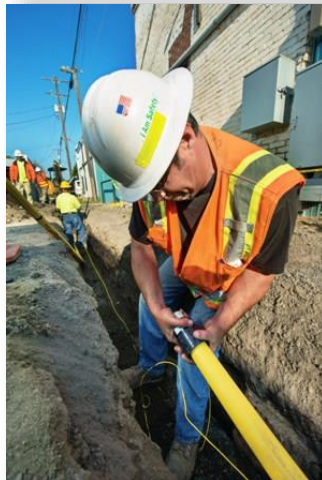
Advanced Metering Infrastructure (AMI)



Grid Modernization



Nine Mile Falls Rehab



Aldyl A Natural Gas Pipe Replacement



Little Falls Plant Upgrade

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.
- Request based on a 58% equity ratio and a 13.8% return on equity.

Alaska Electric Light & Power Company (AEL&P)

Growing the utility core

Diversifying our utility footprint



Oldest regulated electric utility in Alaska, founded in 1893

- Serves 17,000 electric customers in the City and Borough of Juneau, meeting nearly all of its energy needs with hydropower
- One of the lowest-cost electric utilities in the state
- Approved capital structure of 53.8% equity and an authorized return on equity of 12.875%



Juneau, Alaska

Planning to bring natural gas to Juneau

- Continuing to work through the key issues
 - Seek low-cost debt financing through mechanisms provided by Alaska Industrial Development & Export Authority (AIDEA)
 - Exploring alternative ways to pay for customers' conversion costs
- Next Step
 - File and obtain from the regulatory commission of Alaska a non-conditional Certificate of Public Convenience and Necessity



Juneau, Alaska

Strategic Investments

Developing platforms for future growth

Creating new growth platforms

- Expand natural gas services via LNG
 - Salix (subsidiary)
 - Generation – diesel substitution
 - Marine fueling
 - Rail fueling
- Targeted investments
 - Energy Impact Partners
 - Private equity fund that invests in emerging technologies, products, services, and business models throughout electricity supply chain with a collaborative, strategic investment approach
 - Plum Energy
 - Small LNG project investments
 - TROVE
 - Leverage AMI, consumer and other data through predictive analytics



Financial

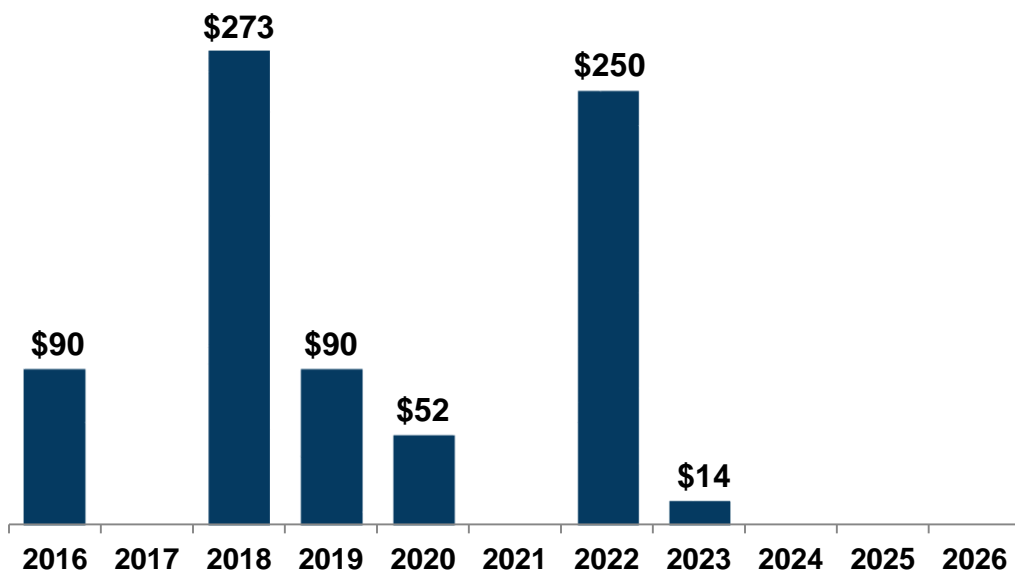
Performance Metrics

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

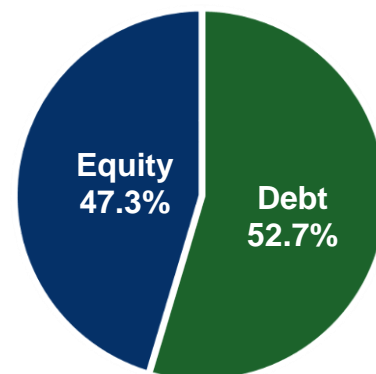
No significant maturities until 2018 (\$ millions)



Additional long-term debt maturities beyond 2026 not shown

*In connection with this pricing, we cash-settled seven interest rate swap contracts (notional aggregate amount of \$125 million) and paid a total of \$54 million.

Consolidated Capital Structure Sept. 30, 2016

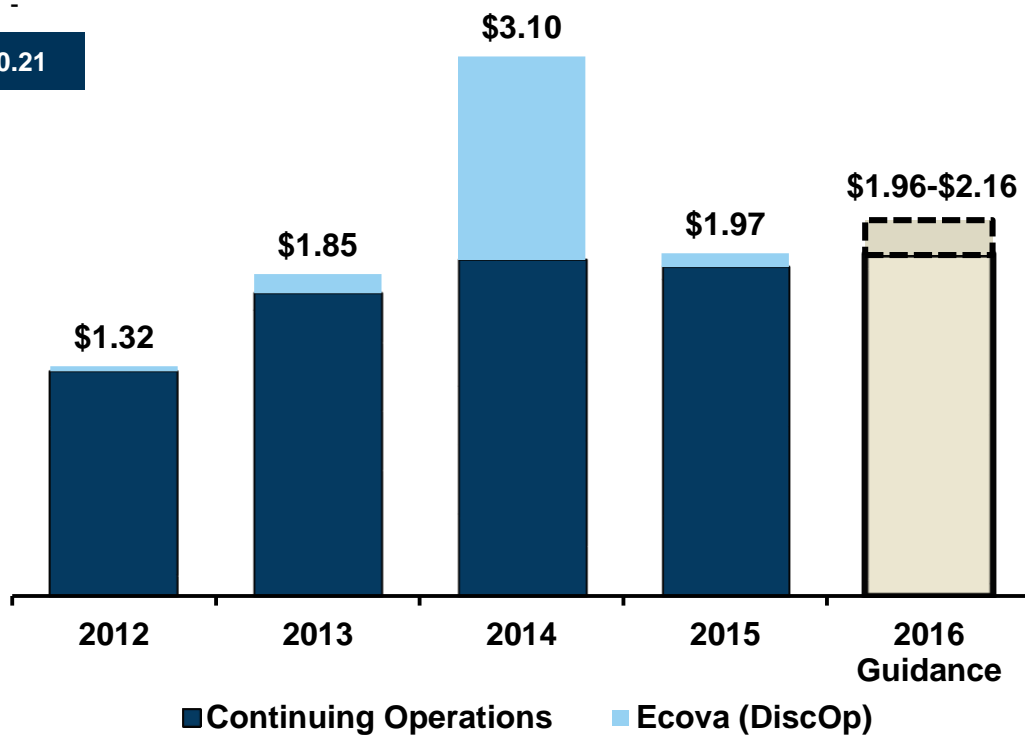


Continued long-term earnings growth

Total Earnings per Diluted Share

Attributable to Avista Corporation

Business Segments	Q3 2016	Q3 2015
Avista Utilities	\$0.20	\$0.20
AEL&P	\$0.01	\$0.01
Other	\$(0.02)	-
TOTAL – Diluted EPS	\$0.19	\$0.21



Growth for 2016

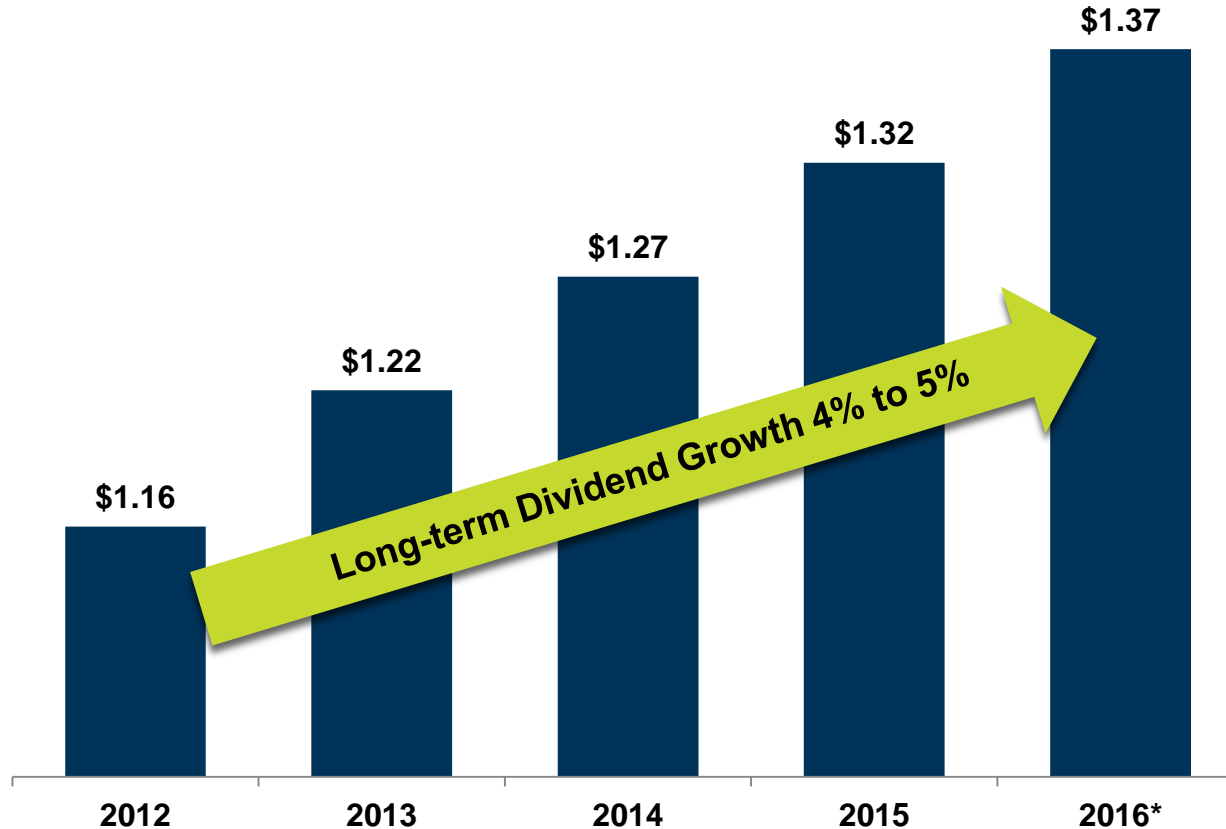
2016 Earnings Guidance	
Avista Utilities	\$1.91 - \$2.05
AEL&P	\$0.09 - \$0.13
Other	\$(0.04) - \$(0.02)
Consolidated	\$1.96 - \$2.16

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.

Stable and growing dividend

Dividend growth expected to keep pace with long-term earnings growth



*Current quarterly dividend of \$0.3425 annualized

An attractive investment

- Strong and responsible core utility
 - Investing substantially to modernize infrastructure and upgrade systems
 - Steady returns and attractive dividend yield*
 - One of the greenest utilities in the U.S.**
- Focus on utility growth
 - Selective acquisitions
 - Developing new products and services and supporting economic development throughout service area
 - LDC opportunity in Juneau
- Positioning for the future
 - Strategically investing in ways to extend access to natural gas via LNG, leverage AMI data through applied analytics, gain insight into leading-edge energy solutions
 - Track record of innovation (e.g. Itron, ReliOn, Ecova)

* Dividend yield 3.3% based on stock price as of Sept. 30, 2016

** Source: *Benchmarking Air Emissions of the 100 Largest Power Producers in the United States*, NRDC, July 2015

LDC: Local distribution company

Photo: Cabinet Gorge Dam



***Reliably building value for
our customers, investors,
communities and employees***

We welcome your questions

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Photo: Huntington Park, Spokane, Wash.