

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): March 25, 2020

AVISTA CORPORATION

(Exact name of registrant as specified in its charter)

Washington
(State of other jurisdiction of
incorporation)

1-3701
(Commission
file number)

91-0462470
(I.R.S. Employer
Identification No.)

1411 East Mission Avenue Spokane, Washington 99202-2600
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: 509-489-0500
Web site: <http://www.myavista.com>

None

(Former name or former address, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbols</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock	AVA	New York Stock Exchange

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Section 8 – Other Events

Item 8.01 Other Events.

On March 25, 2020, Avista Corporation (Avista Corp. or the Company) received an order from the Washington Utilities and Transportation Commission (WUTC or Commission) that approved the partial multi-party settlement agreement that was filed on November 21, 2019.

The approved rates are designed to increase annual base electric revenues by \$28.5 million, or 5.7 percent, and annual natural gas base revenues by \$8.0 million, or 8.5 percent, effective April 1, 2020. The revenue increases are based on a 9.4 percent return on equity with a common equity ratio of 48.5 percent and a rate of return on rate base of 7.21 percent.

As part of the WUTC order, the Company will return approximately \$40 million from the Energy Recovery Mechanism (ERM) rebate to customers over a two-year period. The ERM rebate includes approximately \$3 million that was recently disallowed by the Commission for the cost of replacement power during an unplanned outage at the Colstrip generating facility (Colstrip) in 2018. The Commission directed the Company to return a larger portion of the ERM money during the first year to achieve a net-zero billed impact to electric customers.

Included in the WUTC order is the acceleration of depreciation of Colstrip Units 3 & 4, to reflect a remaining useful life through December 31, 2025. The order utilizes certain electric tax benefits associated with the 2018 tax reform to partially offset these increased costs. The order also sets aside \$3 million for community transition efforts to mitigate the impacts of the eventual closure of Colstrip, half funded by customers and half funded by Company shareholders.

In addition, a recent order received from the WUTC on the 2015 remand cases requires the Company to refund \$8.5 million to electric and natural gas customers. The Company will refund \$4.9 million to electric customers and \$3.6 million to natural gas customers over a one year period, which will partially offset the increase in base rates.

Lastly, the order includes the extension of electric and natural gas decoupling mechanisms through March 31, 2025.

Section 9 - Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

[99.1](#) [Press release dated March 25, 2020, which is being furnished pursuant to Item 8.01.](#)

104 Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AVISTA CORPORATION

(Registrant)

Date: March 27, 2020

/s/ Mark T. Thies

Mark T. Thies

Executive Vice President,
Chief Financial Officer, and Treasurer

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Commission's order in Avista Washington general rate cases provides positive outcomes for customers***Electric customer rates to remain unchanged while natural gas customers will see modest increase***

SPOKANE, Wash., - **March 25, 2020**, Avista's (**NYSE: AVA**) electric and natural gas general rate cases concluded today with an order received from the Washington Utilities and Transportation Commission (UTC or Commission) that approved the partial multi-party settlement filed in November 2019 and that will keep rates reasonable for customers during this difficult time.

"We appreciate the Commission's efforts to arrive at a result that keeps rates affordable for our customers during this difficult and uncertain time and that is also fair and reasonable for our shareholders," said Dennis Vermillion, Avista president and CEO. "We are pleased with this outcome, which demonstrates support of Avista's efforts to invest in and maintain our infrastructure so we can continue to provide the reliable energy our customers expect."

The Commission approved rates designed to increase annual billed electric revenues by \$28.5 million, or 5.4%, and annual natural gas billed revenues by \$8.0 million, or 5.2%, effective April 1, 2020. The decision reflects a 9.4% return on equity (ROE) with a common equity ratio of 48.5% and a rate of return (ROR) on rate base of 7.21%.

In addition to approving the elements in the partial multi-party settlement, the Commission's order included outcomes of other proceedings that resulted in the offset of the requested electric rate increase and a partial offset of the requested natural gas rate increase that customers will see on their bills. An electric customer using an average of 918 kilowatt hours per month could expect to see no billed increase this year that would have resulted from this case and a natural gas customer using an average of 66 therms per month could expect to see a billed increase of \$1.56 per month, effective April 1, 2020.

Today's order also included the extension of electric and natural gas decoupling mechanisms through March 31, 2025 and other elements that are described in further detail in the Commission's order, which can be read at https://www.utc.wa.gov/_layouts/15/CasesPublicWebsite/GetDocument.ashx?docID=2460&year=2019&docketNumber=190334.

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 393,000 customers and natural gas to 361,000 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 1.7 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, 2019.

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