Welcome

Third Quarter 2020 Earnings Webcast

November 4, 2020

Call Participants

Dennis Vermillion
President and CEO

Mark Thies
Exec. VP, CFO and Treasurer

Ryan Krasselt
VP, Controller and Principal Accounting Officer

Kevin Christie
Sr. 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 our statements.

For a further discussion of these factors and other important factors please refer to the appendix herein and in our Annual Report on Form 10-K for the year ended Dec. 31, 2019 and our Quarterly Report on Form 10-Q for the quarter ended Sept. 30, 2020. 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.

Our Focus for 2020

- Remain focused on running a great utility and providing reliable energy service to our customers during the COVID-19 pandemic
- Implemented business continuity plans and we believe that we will continue to be able to conduct our utility operations effectively
- Invest prudent capital in our utility infrastructure to maintain and enhance our system
- Continue to reduce regulatory lag and more closely align earned returns with those authorized
- Filed Electric Integrated Resource Plan in Idaho
- Clean Energy Transformation Act in Washington
- Wildfire Resiliency Plan
- Request for Proposals for renewable energy
- Continue process of joining the Western Energy Imbalance Market

We improve our customers' lives through innovative energy solutions.

Safely. Responsibly. Affordably.

Photo: Noxon Rapids Dam

AVISTA

Driving Effective Regulatory Outcomes

Timely and adequate recovery of costs and capital investments

Washington

- In October 2020, filed general rate cases designed to increase annual base electric revenues by $44.2 million, or 8.3%, and annual natural gas base revenues by $12.8 million, or 7.9%.
- The Company is proposing to fully offset the base rate increase with a tax credit to customers.
- Request based on 50% equity ratio and 9.9% return on equity.
- In March 2020, the Washington Commission approved a partial settlement agreement in general rate case filed in April 2019. Settlement is designed to increase annual base electric revenues by $28.5 million, or 5.7%, and annual natural gas base revenues by $8.0 million, or 8.5%, effective Apr. 1, 2020.
- Based on 48.5% equity ratio and 9.4% return on equity.

Idaho

- Expect to file general rate cases in the first quarter of 2021.
- In November 2019, the Idaho Commission approved a settlement designed to decrease annual base revenues by $7.2 million or 2.8% effective Dec. 1, 2019. This outcome is in line with the Company's expectations.
- Based on 50% equity ratio and 9.5% return on equity.

Alaska

- Current rates based on a 58.18% equity ratio and an 11.95% return on equity.
- No plan to file general rate case until 2021.

Oregon

- Reached settlements in 2020 general rate case (filed in March 2020) designed to increase annual base revenue by $4.4 million, or 6.3% effective Jan. 15, 2021.
- Based on a 50% equity ratio with a 9.4% return on equity.
- In October 2019, the Oregon Commission approved a settlement designed to increase annual base revenues by $3.6 million or 4.2% effective Jan. 15, 2020.
- Based on 50% equity ratio and 9.4% return on equity.

Net Income and Diluted EPS

($ in thousands, except per-share data)	Q3 2020	Q3 2019	YTD 2020	YTD 2019
Net Income (Loss) by Business Segment attributable to Avista Corp. Shareholders				
Avista Utilities	$5,546	$5,966	$69,130	$139,086
Alaska Electric Light and Power Company	$268	$197	$4,991	$4,825
Other	$(938)	$(1,073)	$(3,368)	$2,292
Total Net Income attributable to Avista Corp. Shareholders	**$4,876**	**$5,090**	**$70,753**	**$146,203**
Earnings (Loss) per diluted share by Business Segment attributable to Avista Corp. Shareholders				
Avista Utilities	$0.08	$0.09	$1.02	$2.11
Alaska Electric Light and Power Company	$ -	$ -	$0.07	$0.07
Other	$(0.01)	$(0.01)	$(0.05)	$0.03
Total Earnings per diluted share attributable to Avista Corp. Shareholders	**$0.07**	**$0.08**	**$1.04**	**$2.21**

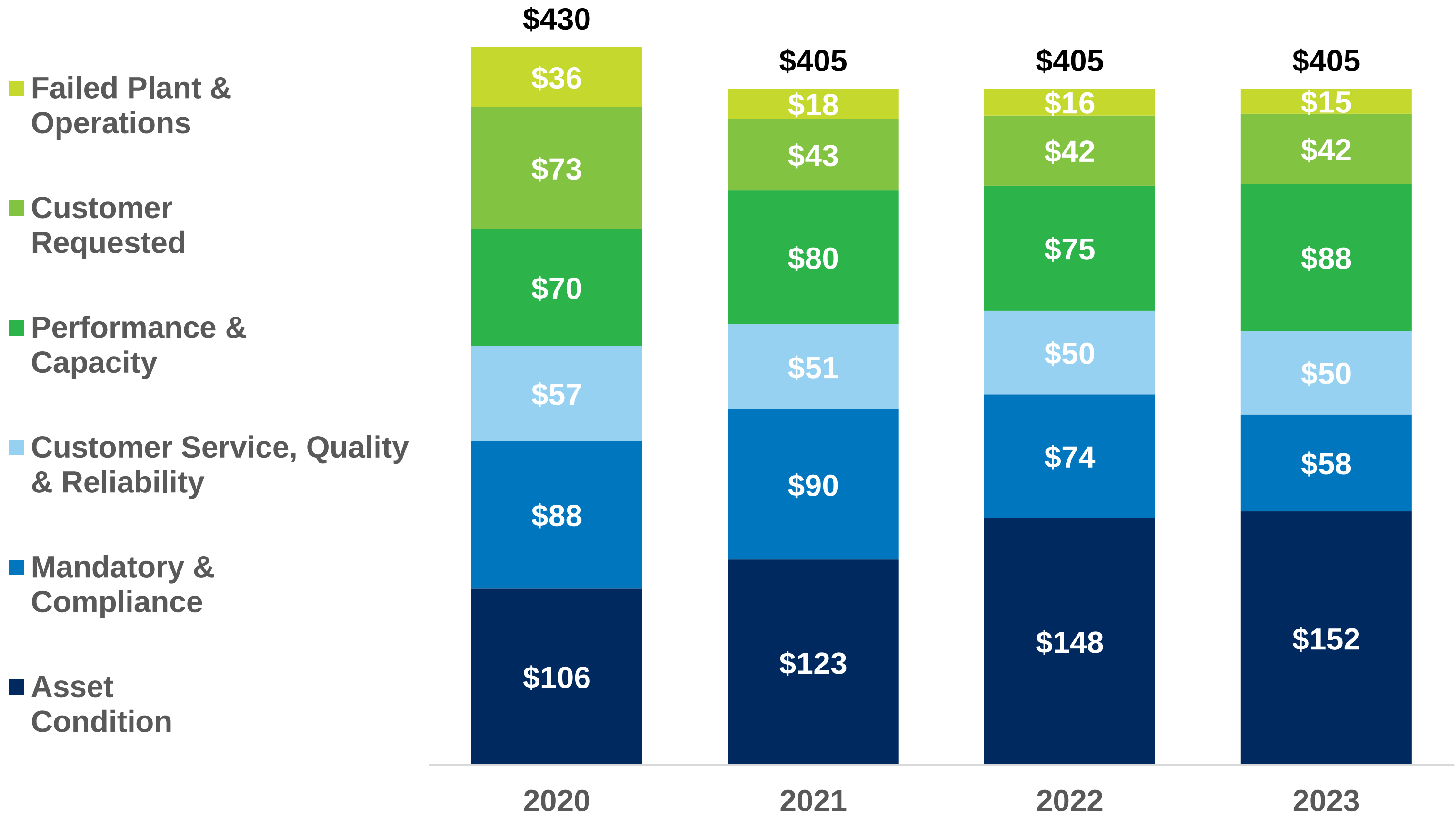
YTD 2019 for Avista Utilities includes $1.01 per diluted share for the termination fee received from Hydro One and the payment of final transaction costs.

COVID-19 Impacts

- Q3 2020 electric loads declined 2% overall as compared to normal, with a 5% increase in residential, a 6% decrease in commercial and a 6% decrease in industrial.
- Expect a slow economy and economic restrictions into at least the first part of 2021.
- We have decoupling and other regulatory mechanisms in Washington, Idaho and Oregon, which mitigate the impact of changes in loads and revenues for residential and certain commercial customer classes. Over 90 percent of our utility revenue is covered by regulatory mechanisms.
- Bad debt expense is expected to increase $11.5 million for the full year of 2020, including $8.0 million recognized in the first nine months of 2020. We deferred $2.5 million of the incremental bad debt expense related to our Idaho operations.
- We have filed petitions for an accounting order in each of our jurisdictions to defer the recognition of COVID-19 expenses as well as identified cost savings of other COVID-19 related benefits. We have deferred costs in Idaho and anticipate deferring costs in Washington and Oregon in the fourth quarter, although we have not yet received authorization in Washington.
- We expect to offset $6.6 million of CARES Act tax benefits against COVID expenses.
- Improved liquidity through a $100 million credit agreement in April.
- Although we have not experienced any significant supply chain issues to date, there could be negative impacts on the ability of suppliers, vendors or contractors to perform.

Investments to upgrade our systems

5% to 6% rate base growth

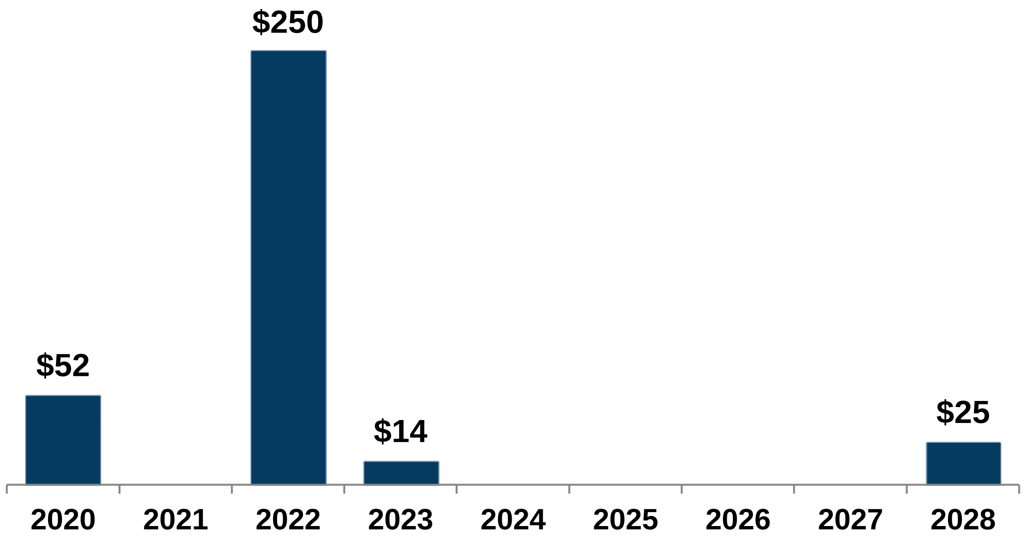


Excludes projected capital expenditures at AEL&P of $9 million in 2020 and 2021, $15 million in 2022 and $7 million in 2023.

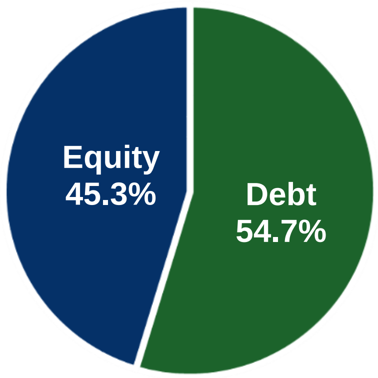
Prudent Balance Sheet and Liquidity

- As of September 30th, we had $324 million of available liquidity under our $400 million line of credit. In June 2020, extended the expiration date from April 2021 to April 2022.
- In April 2020, we entered into a 364-day credit agreement to improve liquidity with COVID-19 in the amount of $100 million.
- In September, we issued $165 million of long-term debt. For the full year of 2020, we expect to issue about $70 million of equity (including $53 million issued during the nine months ended September 30, 2020) to maintain an appropriate capital structure.

Upcoming debt maturities
($ millions)



Consolidated Capital Structure
September 30, 2020



Additional long-term debt maturities beyond 2028 not shown.

Excludes $15 million of AERC debt maturing in 2024.

2020 Earnings Guidance

2020 Earnings Guidance	
Avista Utilities	$1.77 – $1.89
AEL&P	$0.07 – $0.11
Other	$(0.09) – $(0.05)
Consolidated	**$1.75 – $1.95**

Guidance Assumptions

- We expect to be in a benefit position under the ERM within the 90 percent customers/10 percent shareholders sharing band, which is expected to contribute $0.06 per diluted share. This is included in our Avista Utilities and consolidated guidance.
- Our outlook for Avista Utilities and AEL&P assumes, among other variables, normal precipitation, temperatures and hydroelectric generation for the remainder of the year.

Questions?

Photo: Long Lake Dam

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Replay	Available at Passcode	(855) 859-2056 4383867#
Webcast	Archived on www.avistacorp.com	

Appendix

Risks, Uncertainties and Other Factors That Could Affect Future Results

Forward-looking statements are subject to a variety of risks, uncertainties and other factors. Most of these factors are beyond our control and may have a significant effect on our operations, results of operations, financial condition or cash flows, which could cause actual results to differ materially from those anticipated in our statements. Such risks, uncertainties and other factors include, among others:

Utility Regulatory Risk

state and federal regulatory decisions or related judicial decisions that affect our ability to recover costs and earn a reasonable return including, but not limited to, disallowance or delay in the recovery of capital investments, operating costs, commodity costs, interest rate swap derivatives, the ordering of refunds to customers and discretion over allowed return on investment; the loss of regulatory accounting treatment, which could require the write-off of regulatory assets and the loss of regulatory deferral and recovery mechanisms;

Operational Risk

pandemics (including the current COVID-19 pandemic), which could disrupt our business, as well as the global, national and local economy, resulting in a decline in customer demand, deterioration in the creditworthiness of our customers, increases in operating and capital costs, workforce shortages, delays in capital projects, disruption in supply chains, and disruption, weakness and volatility in capital markets. In addition, any of these factors could negatively impact our liquidity and limit our access to capital, among other implications; wildfires ignited, or allegedly ignited, by Avista Corp. equipment or facilities could cause significant loss of life and property, thereby causing serious operational and financial harm to Avista Corp. and our customers; severe weather or natural disasters, including, but not limited to, avalanches, wind storms, wildfires, earthquakes, snow and ice storms, that can disrupt energy generation, transmission and distribution, as well as the availability and costs of fuel, materials, equipment, supplies and support services; explosions, fires, accidents, mechanical breakdowns or other incidents that could impair assets and may disrupt operations of any of our generation facilities, transmission, and electric and natural gas distribution systems or other operations and may require us to purchase replacement power or incur costs to repair our facilities; explosions, fires, accidents or other incidents arising from or allegedly arising from our operations that could cause injuries to the public or property damage; blackouts or disruptions of interconnected transmission systems (the regional power grid); terrorist attacks, cyberattacks or other malicious acts that could disrupt or cause damage to our utility assets or to the national or regional economy in general, including any effects of terrorism, cyberattacks, ransomware, or vandalism that damage or disrupt information technology systems; work-force issues, including changes in collective bargaining unit agreements, strikes, work stoppages, the loss of key executives, availability of workers in a variety of skill areas, and our ability to recruit and retain employees; increasing costs of insurance, more restrictive coverage terms and our ability to obtain insurance; delays or changes in construction costs, and/or our ability to obtain required permits and materials for present or prospective facilities; increasing health care costs and cost of health insurance provided to our employees and retirees; third party construction of buildings, billboard signs, towers or other structures within our rights of way, or placement of fuel containers within close proximity to our transformers or other equipment, including overbuild atop natural gas distribution lines; the loss of key suppliers for materials or services or other disruptions to the supply chain; adverse impacts to our Alaska electric utility that could result from an extended outage of its hydroelectric generating resources or their inability to deliver energy, due to their lack of interconnectivity to any other electrical grids and the availability or cost of replacement power (diesel); changing river regulation or operations at hydroelectric facilities not owned by us, which could impact our hydroelectric facilities downstream; change in the use, availability or abundancy of water resources and/or rights needed for operation of our hydroelectric facilities;

Cyber and Technology Risk

cyberattacks on the operating systems that are used in the operation of our electric generation, transmission and distribution facilities and our natural gas distribution facilities, and cyberattacks on such systems of other energy companies with which we are interconnected, which could damage or destroy facilities or systems or disrupt operations for extended periods of time and result in the incurrence of liabilities and costs; cyberattacks on the administrative systems that are used in the administration of our business, including customer billing and customer service, accounting, communications, compliance and other administrative functions, and cyberattacks on such systems of our vendors and other companies with which we do business, which could result in the disruption of business operations, the release of private information and the incurrence of liabilities and costs; changes in costs that impede our ability to effectively implement new information technology systems or to operate and maintain current production technology; changes in technologies, possibly making some of the current technology we utilize obsolete or introducing new cyber security risks; insufficient technology skills, which could lead to the inability to develop, modify or maintain our information systems;

Risks, Uncertainties and Other Factors That Could Affect Future Results

Strategic Risk

growth or decline of our customer base due to new uses for our services or decline in existing services, including, but not limited to, the effect of the trend toward distributed generation at customer sites; the potential effects of negative publicity regarding our business practices, whether true or not, which could hurt our reputation and result in litigation or a decline in our common stock price; changes in our strategic business plans, which could be affected by any or all of the foregoing, including the entry into new businesses and/or the exit from existing businesses and the extent of our business development efforts where potential future business is uncertain; wholesale and retail competition including alternative energy sources, growth in customer-owned power resource technologies that displace utility-supplied energy or that may be sold back to the utility, and alternative energy suppliers and delivery arrangements; entering into or growth of non-regulated activities may increase earnings volatility; the risk of municipalization or other forms of service territory reduction;

External Mandates Risk

changes in environmental laws, regulations, decisions and policies, including present and potential environmental remediation costs and our compliance with these matters; the potential effects of initiatives, legislation or administrative rulemaking at the federal, state or local levels, including possible effects on our generating resources, prohibitions or restrictions on new or existing services, or restrictions on greenhouse gas emissions to mitigate concerns over global climate changes; political pressures or regulatory practices that could constrain or place additional cost burdens on our distribution systems through accelerated adoption of distributed generation or electric-powered transportation or on our energy supply sources, such as campaigns to halt fossil fuel fired power generation and opposition to other thermal generation, wind turbines or hydroelectric facilities; failure to identify changes in legislation, taxation and regulatory issues that could be detrimental or beneficial to our overall business; policy and/or legislative changes in various regulated areas, including, but not limited to, environmental regulation, healthcare regulations and import/export regulations;

Financial Risk

weather conditions, which affect both energy demand and electric generating capability, including the impact of precipitation and temperature on hydroelectric resources, the impact of wind patterns on wind-generated power, weather-sensitive customer demand, and similar impacts on supply and demand in the wholesale energy markets; our ability to obtain financing through the issuance of debt and/or equity securities, which could be affected by various factors including our credit ratings, interest rates, other capital market conditions and global economic conditions; changes in interest rates that affect borrowing costs, our ability to effectively hedge interest rates for anticipated debt issuances, variable interest rate borrowing and the extent to which we recover interest costs through retail rates collected from customers; changes in actuarial assumptions, interest rates and the actual return on plan assets for our pension and other postretirement benefit plans, which could affect future funding obligations, pension and other postretirement benefit expense and the related liabilities; the outcome of legal proceedings and other contingencies; economic conditions in our service areas, including the economy's effects on customer demand for utility services; economic conditions nationally may affect the valuation of our unregulated portfolio companies; declining energy demand related to customer energy efficiency, conservation measures and/or increased distributed generation; changes in the long-term climate and weather could materially affect, among other things, customer demand, the volume and timing of streamflows required for hydroelectric generation, costs of generation, transmission and distribution. Increased or new risks may arise from severe weather or natural disasters, including wildfires; industry and geographic concentrations which could increase our exposure to credit risks due to counterparties, suppliers and customers being similarly affected by changing conditions; deterioration in the creditworthiness of our customers;

Energy Commodity Risk

volatility and illiquidity in wholesale energy markets, including exchanges, the availability of willing buyers and sellers, changes in wholesale energy prices that could affect operating income, cash requirements to purchase electricity and natural gas, value received for wholesale sales, collateral required of us by individual counterparties and/or exchanges in wholesale energy transactions and credit risk to us from such transactions, and the market value of derivative assets and liabilities; default or nonperformance on the part of any parties from whom we purchase and/or sell capacity or energy; potential environmental regulations or lawsuits affecting our ability to utilize or resulting in the obsolescence of our power supply resources; explosions, fires, accidents, pipeline ruptures or other incidents that could limit energy supply to our facilities or our surrounding territory, which could result in a shortage of commodities in the market that could increase the cost of replacement commodities from other sources;

Compliance Risk

changes in laws, regulations, decisions and policies at the federal, state or local levels, which could materially impact both our electric and gas operations and costs of operations; and the ability to comply with the terms of the licenses and permits for our hydroelectric or thermal generating facilities at cost-effective levels.