



Positioned for performance: An overview of 2015 and beyond

UBS Utilities and Natural Gas One-on-One Conference
Boston, Massachusetts
March 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

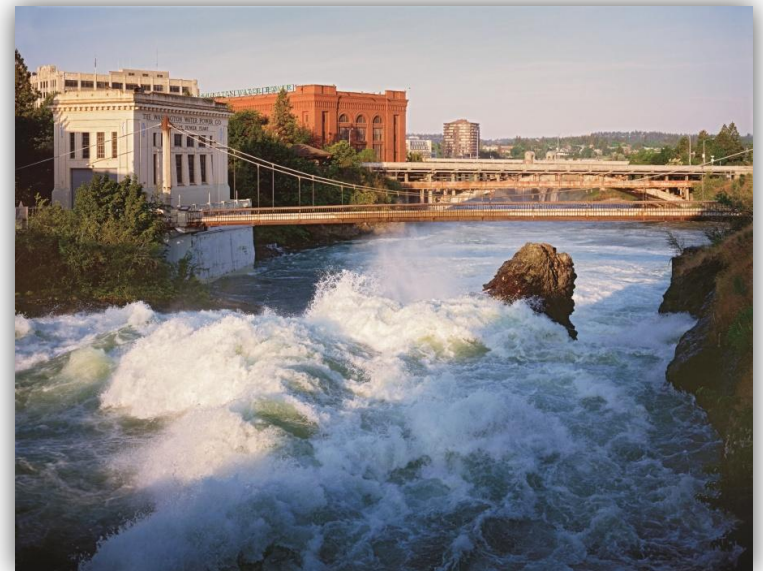
Strong and stable utility core

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 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

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

*LNG: Liquefied natural gas

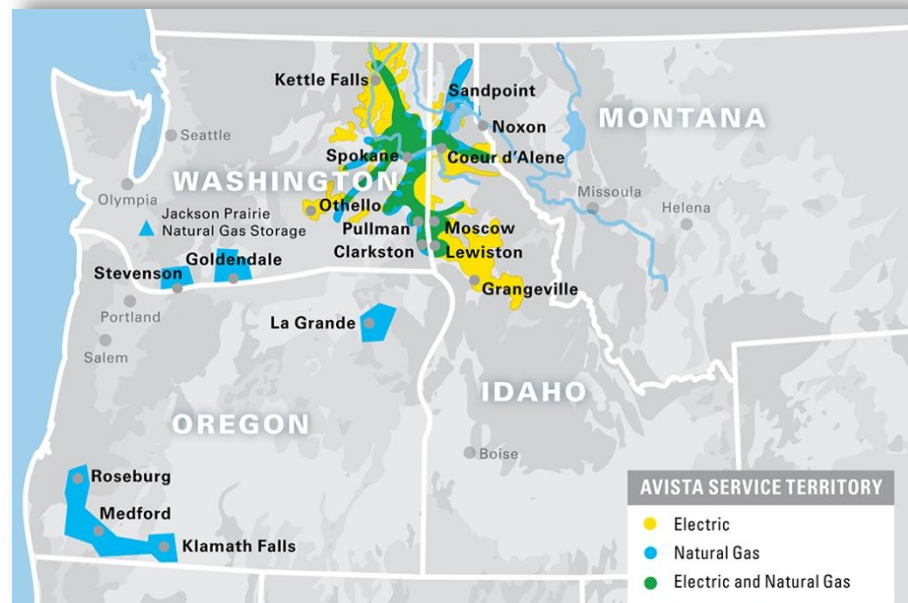
Avista Utilities

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

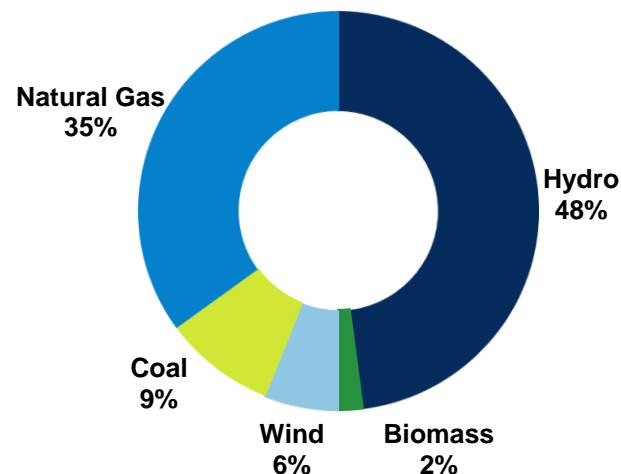
Founded on clean, renewable hydropower

- 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

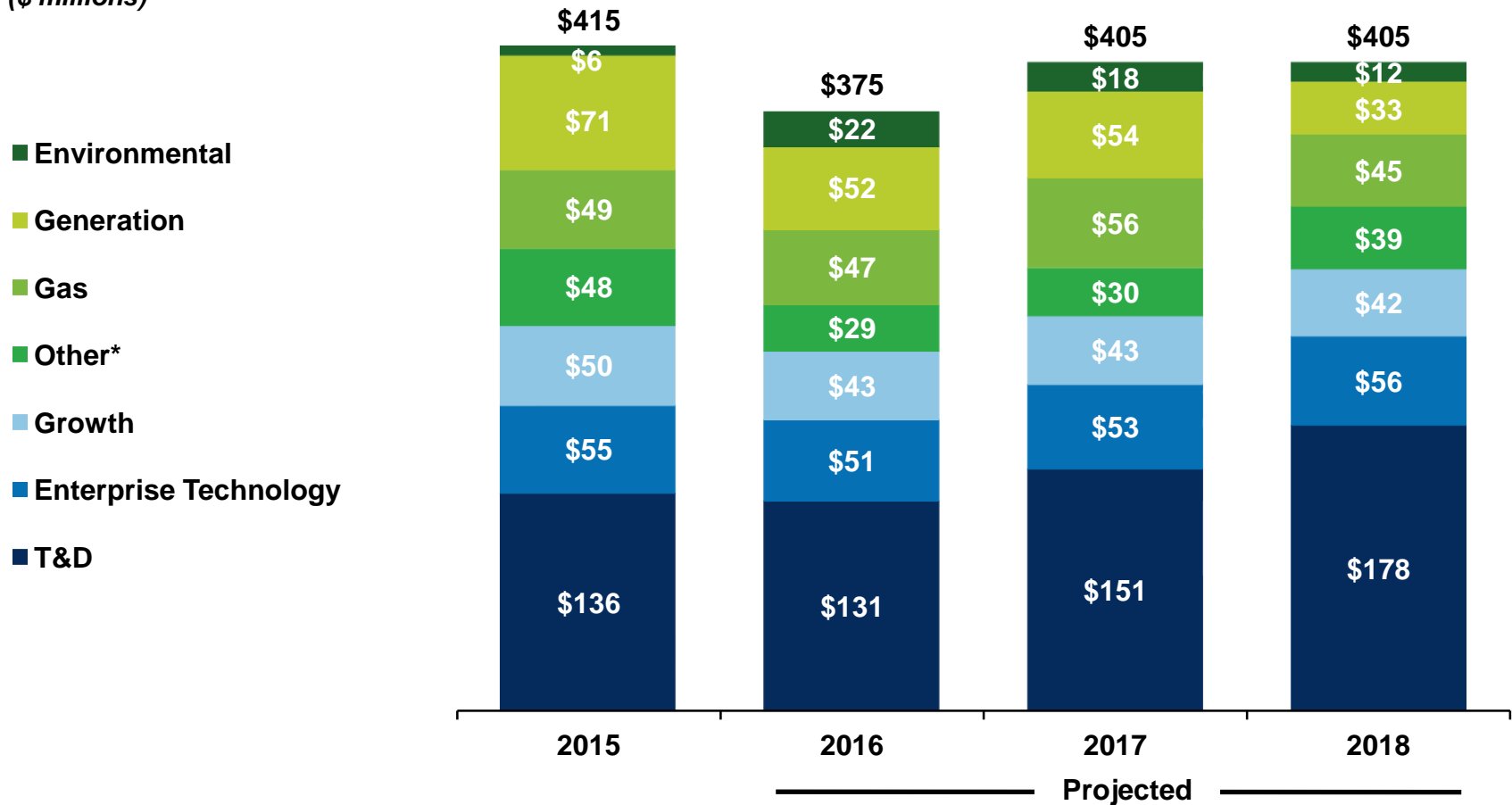


*Based on maximum capacity
Excludes AEL&P

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

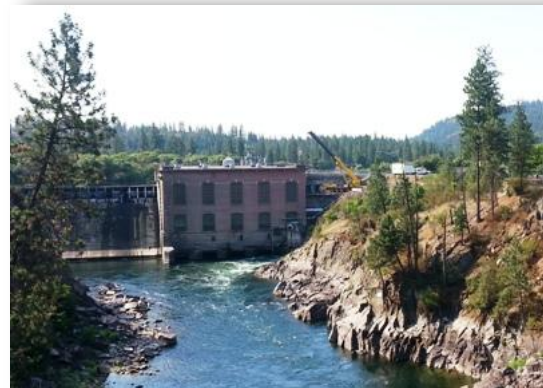
Preserving and enhancing service reliability



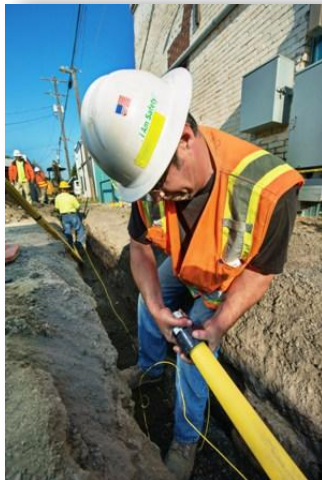
Advanced Metering Infrastructure (AMI)



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 percent or \$38.6 million, and annual natural gas revenues by 2.8 percent or \$4.4 million on Jan. 1, 2017.
- The request also includes a second-step increase designed to increase annual electric revenues by 1.6 percent or \$10.3 million, and annual natural gas revenues by 1.0 percent or \$0.9 million on Jan. 1, 2018.
- Request based on 48.5% equity ratio and a 9.9% return on equity.

Idaho



- Expect to file electric and natural gas general rate cases in Idaho during the first half of 2016.

Oregon



- We entered into all-party partial settlement agreements which includes the implementation of a natural gas decoupling mechanism. The agreements reduces the natural gas revenue request from \$8.6 million to \$6.1 million.
- Unsettled issues include return on equity and capital structure, appropriate level of additions to rate base and appropriate level of expenses.
- Request based on 50% equity ratio and 9.9% return on equity.
- Decision expected by Feb. 29, 2016.

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



Opportunity to drive additional growth in Alaska

Planning to bring natural gas to Juneau

- Invest approximately \$130 million over 10 years
 - 50% during first five years
 - Expect \$0.05 of earnings by third year of operations
 - Two-year construction phase
 - Construction could begin in the first half 2016
 - Slightly dilutive to earnings during construction phase
 - Accretive to earnings during first year of operations

- Next steps
 - Seek low-cost debt financing through mechanisms provided by Alaska Industrial Development & Export Authority (AIDEA)
 - Request state and local funds to support customers' conversion costs
 - 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
 - Finalist for LNG liquefaction plant to serve the Interior Energy Project, specifically Fairbanks, Alaska
 - One of two finalists selected in RFP process
 - Decision expected in the first quarter of 2016
- Targeted investments
 - Plum Energy
 - Small LNG project investments
 - TROVE
 - Leverage AMI data through applied analytics



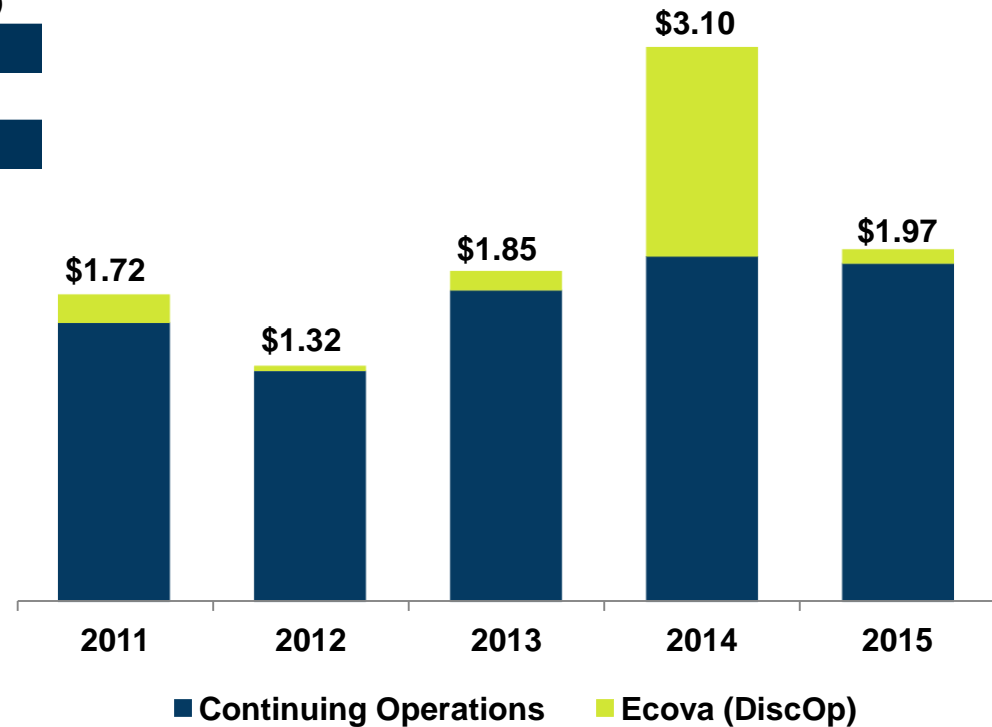
Financial

Performance Metrics

Continued earnings growth

Total Earnings per Diluted Share Attributable to Avista Corporation

Business Segments	Q4 2015	Q4 2014
Avista Utilities	\$0.51	\$0.45
AEL&P	\$0.04	\$0.04
Other	\$(0.01)	\$(0.01)
Continuing Operations – Diluted EPS	\$0.54	\$0.48
Ecova (DiscOp)	\$0.07	\$0.03
TOTAL – Diluted EPS	\$0.61	\$0.51



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, temperatures and hydroelectric generation for the remainder of the year and includes the expected impact from decoupling.
- 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 band.
- In 2016, we expect to issue about \$155 million of long-term debt and about \$55 million of common stock.

Attractive 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 future
 - Strategically investing in ways to extend access to natural gas via LNG and leverage AMI data through applied analytics
 - Track record of innovation (e.g. Itron, ReliOn, Ecova)



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

* Dividend yield 3.6% based on stock price as of Feb. 24, 2016

** Source: *Benchmarking Air Emissions of the 100 Largest Power Producers in the United States*, NRDC, May 2014

LDC: Local distribution company

Photo: Cabinet Gorge Dam

AVISTA

We welcome your questions

Company Contact

Jason Lang, Investor Relations Manager

509-495-2930

jason.lang@avistacorp.com

www.avistacorp.com



Photo: Huntington Park, Spokane, Wash.