BEFORE THE WASHINGTON

UTILITIES & TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

AVISTA CORPORATION, d/b/a AVISTA UTILITIES

Respondent.

DOCKETS UE-240006 & UG-240007 (*Consolidated*)

CROSS-EXAMINATION EXHIBIT OF DENNIS P. VERMILLION
ON BEHALF OF THE
WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL
PUBLIC COUNSEL UNIT

DPV-__X

Avista's Response to UTC Staff Data Request No. 10, Attachment E

September 16, 2024

MOODY'S
INVESTORS SERVICE

CREDIT OPINION
16 August 2023

Update

Send Your Feedback

RATINGS

Avista Corp.

Domicile	Spokane, Washington, United States
Long Term Rating	Baa2
Type	LT Issuer Rating
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

Contacts

Edna R Marinelarena +1.212.553.1383
AVP-Analyst
edna.marinelarena@moodys.com

Cole Egan +1.212.553.0300
Associate Analyst
cole.egan@moodys.com

Michael G. Haggarty +1.212.553.7172
Associate Managing Director
michael.haggarty@moodys.com

Jim Hempstead +1.212.553.4318
MD - Global Infrastructure & Cyber Risk
james.hempstead@moodys.com

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

Avista Corp.

Update to credit analysis

Summary

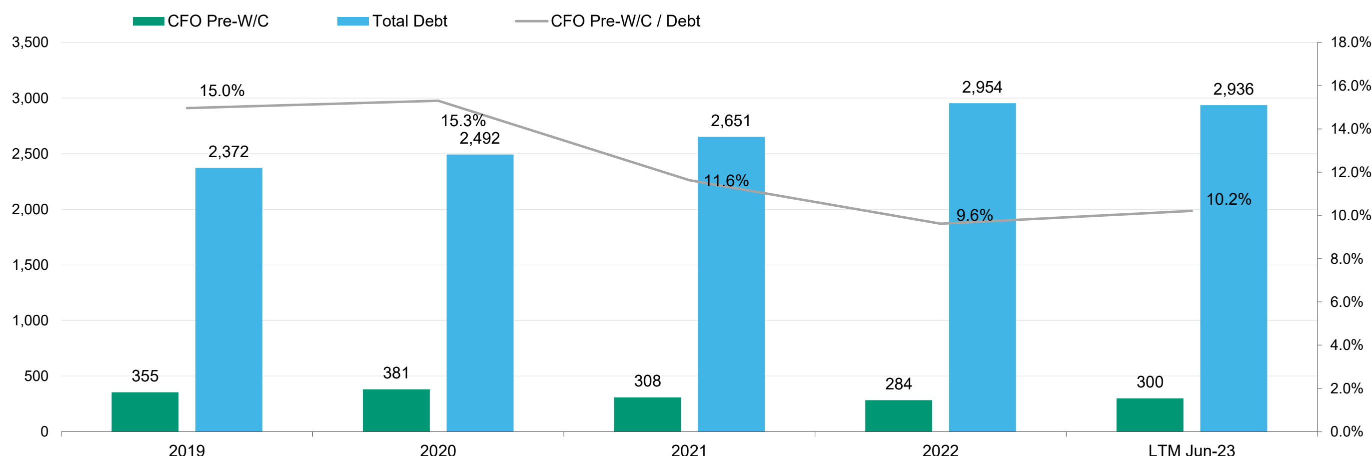
Avista Corporation's (Avista) credit profile reflects its primary business as a diverse, low-risk vertically integrated electric and gas utility with relatively supportive cost recovery mechanisms, such as electric and gas revenue decoupling in all jurisdictions. These mechanisms had resulted in steady revenue and cash flow generation and historically stable credit metrics including a ratio CFO pre-WC to debt at about 15% from 2018 through 2020, before the ratio fell considerably to 12% in 2021 and 10% in 2022 and for the LTM period ending 30 June 2023.

Avista's operating performance remains strong despite the weak financial metrics that were caused primarily by lower cash flow generation due to a customer tax credit implemented in 2021 to offset rate increases. Because the tax credit will begin to automatically expire in 2023 and as a result of recently supportive regulatory proceedings, we expect Avista's cash flow to increase and lead to an improvement in metrics. Moody's projects that the utility's cash flow from operations before changes in working capital (CFO pre-WC) to debt ratio will be about 17% in 2023 and range between 17-19% over the next several years. If the ratio is sustained in the high teens, there could be upward rating pressure

The company has operations in Washington, Idaho and Oregon, and we view its regulatory jurisdictions to be generally credit supportive. The Washington Utilities and Transportation Commission (WUTC), which regulates roughly 60% of the company's rate base and revenue, approved Avista's multiparty settlement agreement on a two year rate plan in December 2022. We viewed this outcome as credit supportive and it is a key driver of Avista's improved credit metrics in 2023.

Avista has some unregulated exposure and owns regulated utility Alaska Electric Light and Power (AEL&P, Baa3 stable) that provides limited operational and cash flow diversity, but this is neutral in terms of our view of Avista's overall credit quality.

Exhibit 1
Historical CFO Pre-WC, Total Debt and CFO Pre-WC to Debt ($ MM)



Source: Moody's Financial Metrics™

Credit Strengths

» Vertically integrated utility with historical track record of consistent cash flow generation before 2021

» Credit metrics are expected to improve this year

» Trend of more consistent and supportive regulation in Washington

» Washington legislation provides for additional credit positive regulatory tools

Credit Challenges

» Recently weak credit metrics provide little cushion at the Baa2 rating level

» Delayed cost recovery due to persistent regulatory lag with no forward test year or interim rates

» Increased wildfire risk

Rating Outlook

The stable outlook reflects our expectation that Avista's financial profile will improve in 2023 (e.g., CFO pre-WC to debt of at least 14%). Moody's forecasts this ratio to improve to the high teens over the next several years, which could lead to upward rating pressure if sustained. In addition, the stable outlook incorporates our view that Avista will continue to receive adequate cost recovery authorizations within its regulatory jurisdictions and that unregulated operations will remain below 15% of consolidated earnings and cash flow.

Factors that Could Lead to an Upgrade

Avista's rating could be upgraded if financial metrics improve such that its ratio CFO pre-WC to debt is sustained above 18% and CFO pre-WC less dividends is above 13% on a consistent basis. A rating upgrade would also be premised on a continued credit supportive rate case outcomes, particularly in Washington. If there is an improvement in regulatory environment, such as authorization of trackers and riders that lead to faster cost recovery and reduced regulatory lag, this could also lead to an upgrade.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on https://ratings.moodys.com for the most updated credit rating action information and rating history.

Factors that Could Lead to a Downgrade

Avista's rating could be downgraded if there is a decline in the regulatory environment in any of its jurisdictions, most notably Washington, if there are unsupportive rate case outcomes or other adverse regulatory developments. The rating could also be downgraded if Avista's credit metrics do not improve and CFO pre-WC to debt ratio remains below 14%.

Key Indicators

Exhibit 2
Avista Corp. [1]

	Dec-19	Dec-20	Dec-21	Dec-22	LTM Jun-23
CFO Pre-W/C + Interest / Interest	4.3x	4.6x	3.9x	3.4x	3.2x
CFO Pre-W/C / Debt	15.0%	15.3%	11.6%	9.6%	10.2%
CFO Pre-W/C – Dividends / Debt	10.6%	10.9%	7.2%	5.2%	5.6%
Debt / Capitalization	49.2%	48.7%	48.7%	49.5%	48.6%

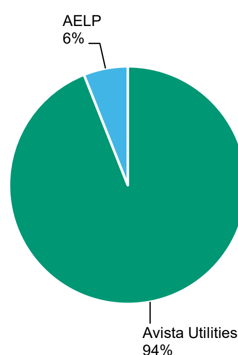
[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
Source: Moody's Financial Metrics™

Profile

Avista Corp. is an operating electric and natural gas utility, which, through Avista Utilities, provides electric transmission and distribution and natural gas distribution services to more than 700,000 customers in parts of eastern Washington, northern Idaho, and natural gas distribution service in parts of northeastern and southwestern Oregon. The utility has electric generating facilities in Washington, Idaho, Oregon and Montana and also supplies electricity to a small number of customers in Montana. Avista's utility operations are regulated by the Washington Utilities and Transportation Commission (WUTC), the Idaho Public Utilities Commission (IPUC), the Oregon Public Utility Commission (OPUC) and the Montana Public Service Commission (MPSC).

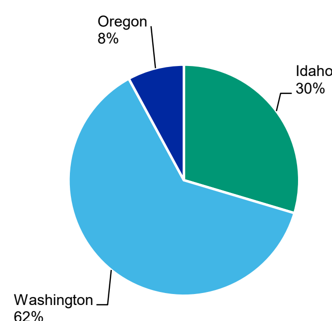
Avista owns Alaska Electric Light and Power Company (AELP, Baa3 stable) through its intermediary holdco, Alaska Energy and Resources Company (AERC, not rated). AELP is a vertically integrated electric utility that services almost 18,000 customers in Juneau, Alaska. AELP is under the purview of the Regulatory Commission of Alaska (RCA).

Exhibit 3
2022 earnings contribution breakdown



Excludes other segments
Source: Avista Corp. Filings

Exhibit 4
Rate base by jurisdiction



As of 30 June 2023, excludes AEL&P
Source: Company Documents & Moody's Investors Service

Detailed Credit Considerations

Weak financial metrics with improvement expected in 2023

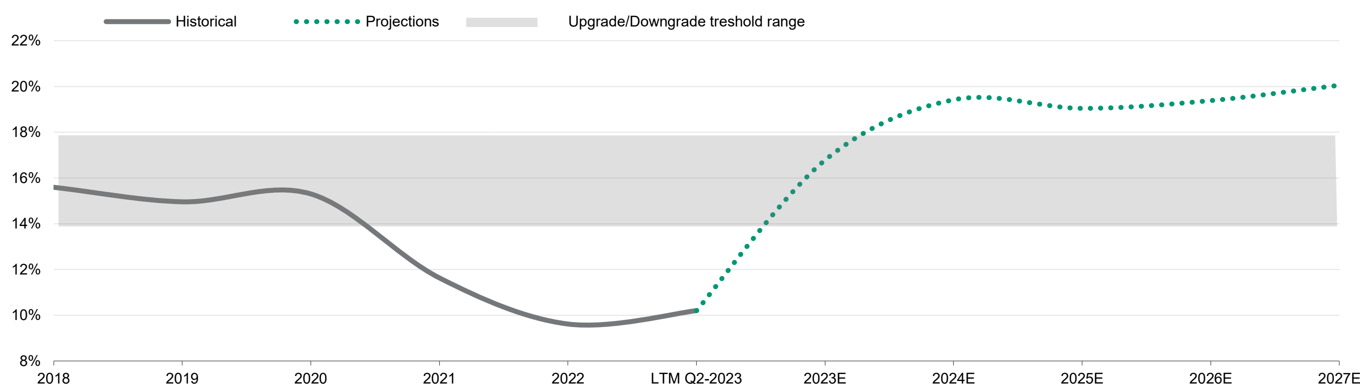
Because of Washington's historic test year requirements for rate making, Avista experiences a lag between the time that investments are made and the time at which it is allowed to begin recovery of those investments via new rates. Management had intended to improve this lag by filing rate cases more frequently, but the coronavirus-driven economic downturn delayed the rate case filing until

October 2020 instead of earlier in that year. Additionally, as a way to help mitigate the customer bill impact, the company offset its revenue increase with the creation of a tax credit, which reduced revenue and cash flow in 2021 and 2022.

Further pressuring credit metrics were the increase in fuel and purchase power costs experienced industry wide during 2022 and some additional debt incurred to support liquidity during a spike in commodity prices in December 2022 that required Avista to meet cash collateral calls on its commodity contracts. The company managed these liquidity needs by obtaining a term loan and additional letter of credit agreements. As a result of these developments, Avista's CFO pre-WC to debt ratio was a very low 9.6% in 2022.

As of LTM Q2 2023, however, the CFO pre-WC to debt ratio improved marginally to about 10.2% and is expected to be about 17% for the full year 2023. The improvement in metrics is driven by a favorable rate case outcome that resulted in new rates as of 1 December 2022 and the expiration of the tax credit that will begin to automatically phase out by the end of Q3 2023. Thereafter, we project credit metrics to strengthen to the high teens, a level that, if sustained, could put upward pressure on Avista's credit rating.

Exhibit 5
Improvement in credit metrics expected in 2023 following supportive regulatory proceedings
Historical and projected CFO pre-WC to debt ratio and upgrade/downgrade threshold range



The upgrade and downgrade financial metric thresholds cited are one of several factors that could lead to a change in the rating if the ratio is above or below the level cited for a sustained period
Source: Moody's Investors Service

Credit supportive regulatory jurisdictions with adequate track record of cost recovery

Washington

We view Avista's regulatory jurisdictions to be generally credit supportive. The Washington Utilities and Transportation Commission (WUTC), which regulates roughly 60% of the company's rate base and revenue, allows electric and gas decoupling mechanisms which provide for timely recovery of fixed utility costs and stable gross margins in the face of declining use. Even so, the use of historic test years has resulted in some regulatory lag, which has impacted cash flow recovery over the years and requires Avista to file frequent general rate cases.

Avista's last Washington electric and natural gas general rate case (filed January 2022) resulted in a multiparty settlement that was approved by the WUTC in December 2022. The two year rate plan included an electric revenue increase of $38 million (6.9%) effective December 2022 and a $12.5 million (2.1%) increase effective December 2023. For natural gas, the settlement included a $7.5 million (6.5%) increase in December 2022 and a $1.5 million (1.2%) increase in December 2023. The parties agreed to a 7.03% rate of return on rate base with all other aspects, such as the ROE and capital structure, not made public. We view this outcome as credit supportive and a driver of Avista's improved credit metrics in 2023.

Nevertheless, the lag in cash flow recovery and limited revenue increases have pressured Avista's credit metrics particularly during a time when the sector faced material headwinds from higher natural gas prices and other cost pressures. However, Avista settling its last three general rate cases including the 2022 general rate case discussed above, which was the first multiyear rate plan approved following the passage of SB 5295. We view this as evidence of an improved relationship with the WUTC and demonstrates a trend of more consistent regulation in the state of Washington.

We expect the company to continue to receive supportive regulatory outcomes consistent with the state passage of SB 5116 and SB 5295 in 2019 and 2021, respectively. The bills aimed to reform the regulatory framework and pave the way for multiyear rate plans and performance based ratemaking. We discuss more details on SB 5116 in "Washington approves clean energy bill, a credit positive for investor-owned utilities" (16 May 2019) and on SB 5295 in "Legislation supporting multiyear rate plans has credit positive implications for Washington's investor owned utilities" (10 May 2021).

Idaho

In Idaho, Avista has a track record of consistent and credit supportive regulatory outcomes typically concluding in settlement agreements. The company filed its latest general rate case in February 2023 and in June 2023 reached a settlement agreement with various interveners including the IPUC staff. The settlement is for a two year rate plan designed to increase annual base electric revenues by $22.1 million (8%) effective 1 September 2023 and $4.3 million (1.4%) effective 1 September 2024. Natural gas revenues increase by $1.3 million (2.7%) effective 1 September 2023 and are relatively flat thereafter. The settlement includes a 9.4% ROE and 50% equity ratio.

Avista last general rate case was filed in January 2021 and the IPUC approved an all-party settlement in June 2021. The settlement authorized a two-year rate plan that included a $10.6 million (4.3%) electric revenue increase effective 1 September 2021 and an annual base electric revenue increase of $8 million (3.1%) effective 1 September 2022. For natural gas, the rate plan decreased revenue by $1.6 million (3.7%) in 2021 and increased revenue by $0.9 million (2.2%) in 2022. The settlement further authorized a 9.4% ROE (prior authorized was 9.5%) and 50% capital structure (in line with the prior authorization).

Oregon

Similar to Idaho, Avista has received supportive regulatory outcomes in recent years. The company filed its latest general rate case in March 2023 requesting a base rate increase of $11 million with new rates effective 1 January 2024. In May 2023, Avista reached a partial settlement with various interveners including the OPUC staff that would allow for a 9.5% ROE and 50% equity layer. When incorporating the settlement agreement, a proposed $9.4 million revenue increase (12.3%) remains pending regulatory proceedings.

Avista's last Oregon rate case concluded in a settlement that included a revenue increase of $1.6 million, a 9.4% ROE and 50% capital structure (both as previously authorized). The original request was for a $3.8 million (3.1%) revenue increase.

Alaska

AELP filed its latest general rate case on 18 July 2022 requesting a $3.2 million (9%) electric base rate increase. The request includes a 13.45% ROE and 60.7% capital structure. The utility is currently allowed an ROE of 11.95% and equity layer of 58.18%, which are well above the average of authorized returns for the industry, a credit positive.

In August 2022, AELP received an interim base rate increase of $1.6 million (4.5%) effective as of 1 September 2022. The company opted to place the interim revenue increase into escrow pending the final ruling of the commission. Alaska has a statutory period of 450 days or approximately 15 months to decide on rate cases, and a decision is expected in October 2023.

Wildfires are a rising risk factor for the Western states

Wildfire risk in the US has been rising over the past few decades, regardless the source of ignition. State and federal efforts to suppress wildfires have inadvertently led to the significant accumulation of grasses, shrubs, dead trees and fallen leaves and pine needles, which can fuel wildfires. Meanwhile, climate change has increased wildfire risk by making it easier for fires to start and spread and by making trees more vulnerable to diseases and insect infestation. These elements are further heightened by severe windstorm events that cannot only cause branches, whole trees or poles to fall on to power lines causing a spark and ignition, and quickly cause a fire to spread over a larger territory if the fire is not contained. The increase in the number and intensity of wildfires is well documented in California, and damages caused by wildfires are also growing in Washington, Oregon, and Idaho.

About 2,700 miles (36%) of Avista's electric distribution system is located in high fire consequence areas. The company has managed the rising wildfire risk through the traditional vegetation management and pole replacement strategies for many years with a more refined focus in recent years. In 2020, the company published its first 10-year Wildfire Resiliency Plan that it updates periodically with the most recent update as of January 2023.

The plan includes Avista's approach to wildfire mitigation and includes details on its investment in grid hardening, enhanced vegetation management, situational awareness and emergency response and operation. The report provides updates on the company's progress towards grid hardening as well as key performance measures that it uses to measure the success of its investments (see Exhibits 6 and 7). Avista intends to spend approximately $330 million on wildfire mitigation over the 10 year plan period that began in 2020. Both the IPUC and WUTC have authorized deferrals of certain costs associated with the plan, a credit positive.

Exhibit 6

Avista's reported wildfire progress and work remaining

Programs and Resources	2020-2022 Progress	2023-2029 Remaining	Percent Complete
Distribution Grid Hardening	392 miles	2,357 miles	14%
Transmission Steel Poles	287 miles	713 poles	29%
Fire Resistant Pole Wraps	4,627 poles	7,000 poles	40%
Transmission LiDAR Survey	100%*	100% annually	
Distribution Satellite Imagery	100%**	100% annually	
Fire Mode Automation	124 devices	104 devices	55%
Capital Investment	$48.9 million	$237 million	17%
O&M Investment	$27.3 million	$99.1 million	22%

*100% in 2022
**100% in 2021-2022
Source: AVista's 2023 Wildfire Resiliency Plan

Exhibit 7

Avista's reported distribution outage incidents

Key Performance Measures	2020	2021	2022	5-Year Average (2018-2022)	Percentage Change
Tree Fall Into Lines Rate	375	353	375	363	3%
Tree Grow Into Lines Rate	69	81	59	80	-26%
Equipment Failures	590	612	745	650	15%
Pole Fires	65	154	50	83	-40%
Spark-Ignition Events	147	109	107	117	-9%

Source: Avista's 2023 Wildfire Resiliency Plan

Avista's wildfire mitigation plans also include maintaining relationships with various federal and state stakeholders including first responders to manage emergency response during fire events as well as developing a plan for public safety power shutoffs (PSPS) during high risk weather conditions. Avista plans to have a recommended plan for PSPS by the end of 2023.

To date, Avista has not had wildfire losses large enough to exceed its insurance coverage. Although there is no precedent of inverse condemnation - which holds a utility strictly liable for damages caused by the utility equipment in a wildfire, regardless of fault or the reasonableness of its conduct - in Washington, Oregon or Idaho, the company remains exposed to litigation risk that could lead to court decisions that result in severe losses to the company.

Avista is a defendant in several lawsuits related to wildfires in recent years, two of which total about $10 million in claims and are related to insurance claims already paid out. A third is related to a 2020 Labor Day fire event in western Washington and northern Idaho where more than 25,000 acres and about 230 residential, commercial and other structures were impacted. Avista's investigation has found no evidence of equipment failure or that the fire was caused by any deficiencies of the company.

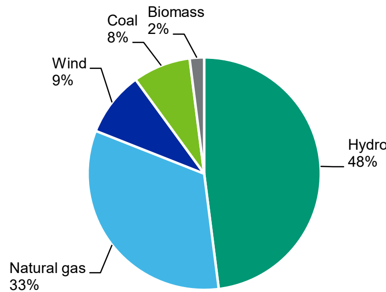
Well positioned from carbon transition risk standpoint but inherent hydro generation risk

Avista is well positioned from a carbon transition risk perspective given that close to 50% of its power supply is generated by owned or contracted hydroelectric plants (see Exhibit 6). The company owns and operates the Noxon Rapids and Cabinet Gorge plants on the Clark Fork River and six small hydro projects on the Spokane River. During normal streamflow and operating conditions, hydro power is typically the lowest cost of power per MWh. However, hydro generation can experience high annual resource variability as it is dependent on water availability.

In recent years, the northwestern states have experienced hotter temperatures and dryer conditions affecting water availability resulting in utilities having to rely on other generating assets including natural gas, coal or market purchases. Although we expect Avista to recover its purchase power and fuel costs through its authorized mechanisms, utilities must first file to recover costs with its regulator. A substantial increase in purchase power or fuel costs could drive an increase in deferrals that could pressure financial metrics over the short-term, as experienced in 2022.

Exhibit 8

Almost 50% of power supply is from hydro generation



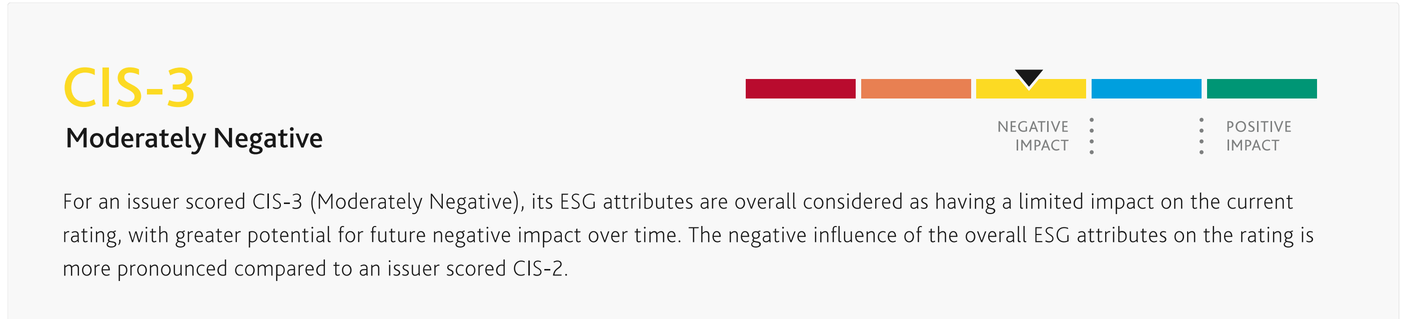
As of 31 December 2022
Source: Company filings

To meet the Washington Clean Energy Transformation Act (CETA) requirements, in January 2023, Avista entered into an ownership transfer agreement with Northwestern Corporation (Baa2 stable). By the end of 2025, Avista will transfer its 15% ownership of Colstrip Units 3 and 4 and fully exit coal generation. The company retains responsibility for site remediation expenses associated with conditions existing as of the close of the transaction, which is expected to be 31 December 2025. Given flat load growth, Avista expects to meet its requirements with existing owned generation and replace supply with additional renewables sources through PPA agreements.

ESG considerations

Avista's ESG Credit Impact Score is CIS-3 (Moderately Negative)

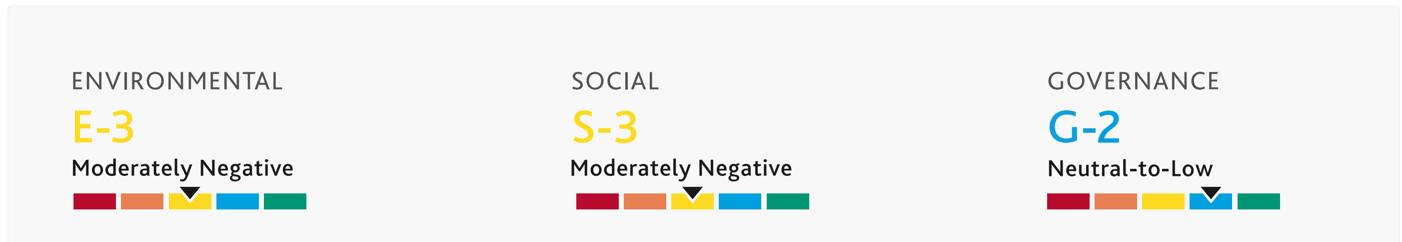
Exhibit 9
ESG Credit Impact Score



Source: Moody's Investors Service

Avista's **CIS-3** score reflects ESG attributes that are considered as having a limited impact on the current rating, with greater potential for future negative impact over time. The **CIS-3** reflects its moderate exposure to environmental and social risks, and low exposure to governance risks.

Exhibit 10
ESG Issuer Profile Scores



Source: Moody's Investors Service

Environmental

Avista's **E-3** score is driven by its moderately negative physical climate risks, primarily in the form of extreme weather patterns including an increase in wildfires across its service territories and water availability issues due to warmer and dryer weather conditions that affect hydro generation. These risks are offset by a neutral to low exposure to carbon transition, water management, waste and pollution and natural capital risks.

Social

The company's **S-3** score reflects demographic and societal trends that could increase public concern over environmental, social, or affordability issues and lead to adverse regulatory or political intervention. These risks are balanced by neutral to low risks related to health and safety, human capital, customer relationships and responsible production.

Governance

Governance is broadly in line with other utilities and does not pose a particular risk driving the **G-2** score. Avista's board structure primarily stands out as moderately negative, although it is offset by other aspects of governance strength that are derived in part by compliance and reporting, management credibility and track record as well as financial policy and risk management.

ESG Issuer Profile Scores and Credit Impact Scores for Avista are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for Avista on MDC and view the ESG Scores section.

Liquidity Analysis

Avista has adequate internal liquidity generating about $250 million of CFO annually on average over the last three years. The company has access to a $500 million senior secured revolving credit facility that supports letters of credit which expires June 2028.

As of 30 June 2023, there was about $292.4 million available under the line of credit and $4.6 million of letters of credit outstanding. Additionally, Avista entered into a $50 million letter of credit agreement in December 2022 that remains outstanding and can be terminated by either party at any time. As of 30 June 2023, there was $16 million outstanding.

Since Avista currently has unsecured investment grade ratings from two nationally recognized rating agencies, the company has the option to request the banks to relinquish their existing first mortgage bond collateral position. Avista has not asked for the release, keeping the company as one of the few US regulated utilities to maintain a secured bank credit facility. Avista was in compliance with the facility's sole covenant of less than 65% debt to capitalization, with a ratio of 54.8% as of 30 June 2023. The company has no material adverse change language beyond the close of the facility, a credit positive.

AELP has a $25 million line of credit which expires in 2028 and requires a consolidated debt to capitalization covenant of 67.5%. As of 30 June 2023, there were no borrowings or letters of credit outstanding under the facility and AELP was in compliance with its covenant, with a ratio of 49.4%.

The company typically funds capex with a mix of long-term debt and equity. In March 2023, Avista issued $250 million of first mortgage bonds to fund various projects. Avista's maturity schedule is manageable with a $13.5 million secured note due in 2023 and a $15 million secured note due in 2024.

Methodology and Scorecard

Exhibit 11

Methodology Scorecard Factors

Avista Corporation

Regulated Electric and Gas Utilities Industry [1][2]	Current LTM 6/30/2023		Moody's 12-18 Month Forward View As of Date Published [3]	
Factor 1 : Regulatory Framework (25%)	**Measure**	**Score**	**Measure**	**Score**
a) Legislative and Judicial Underpinnings of the Regulatory Framework	A	A	A	A
b) Consistency and Predictability of Regulation	Baa	Baa	Baa	Baa
Factor 2 : Ability to Recover Costs and Earn Returns (25%)				
a) Timeliness of Recovery of Operating and Capital Costs	Baa	Baa	Baa	Baa
b) Sufficiency of Rates and Returns	Baa	Baa	Baa	Baa
Factor 3 : Diversification (10%)				
a) Market Position	A	A	A	A
b) Generation and Fuel Diversity	A	A	A	A
Factor 4 : Financial Strength (40%)				
a) CFO pre-WC + Interest / Interest (3 Year Avg)	3.7x	Baa	4x - 4.5x	Baa
b) CFO pre-WC / Debt (3 Year Avg)	11.8%	Ba	15% - 18%	Baa
c) CFO pre-WC – Dividends / Debt (3 Year Avg)	7.2%	Ba	11% - 14%	Baa
d) Debt / Capitalization (3 Year Avg)	48.5%	Baa	45% - 48%	Baa
Rating:				
Scorecard-Indicated Outcome Before Notching Adjustment		Baa2		Baa1
HoldCo Structural Subordination Notching		0		0
a) Scorecard-Indicated Outcome		Baa2		Baa1
b) Actual Rating Assigned		(P)Baa2		(P)Baa2

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
[2] As of 6/30/2023(L)
[3] This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures.
Source: Moody's Financial Metrics™

Appendix

Exhibit 12

Cash Flow and Credit Metrics [1]

CF Metrics	Dec-19	Dec-20	Dec-21	Dec-22	LTM Jun-23
As Adjusted					
FFO	365	368	302	271	300
+/- Other	-10	13	7	13	0
CFO Pre-WC	355	381	308	284	300
+/- ΔWC	47	-49	-22	-140	-92
CFO	402	333	286	144	208
- Div	103	110	118	129	135
- Capex	447	409	445	457	473
FCF	-147	-186	-277	-442	-400
(CFO Pre-W/C) / Debt	15.0%	15.3%	11.6%	9.6%	10.2%
(CFO Pre-W/C - Dividends) / Debt	10.6%	10.9%	7.2%	5.2%	5.6%
FFO / Debt	15.4%	14.8%	11.4%	9.2%	10.2%
RCF / Debt	11.1%	10.3%	6.9%	4.8%	5.6%
Revenue	1,346	1,322	1,439	1,710	1,724
Interest Expense	107	107	107	120	135
Net Income	128	127	141	153	144
Total Assets	6,082	6,402	6,854	7,417	7,371
Total Liabilities	4,158	4,372	4,699	5,083	4,971
Total Equity	1,925	2,030	2,155	2,335	2,400

[1] All figures and ratios are calculated using Moody's estimates and standard adjustments. Periods are Financial Year-End unless indicated. LTM = Last Twelve Months.
Source: Moody's Financial Metrics™

Exhibit 13

Peer Comparison Table [1]

	Avista Corp. (P)Baa2 (Stable)			Exelon Corporation Baa2 (Stable)			Puget Sound Energy, Inc. Baa1 (Stable)			Idaho Power Company (P)Baa1 (Stable)			Portland General Electric Company A3 (Stable)		
(In US millions)	FYE Dec-21	FYE Dec-22	LTM Jun-23	FYE Dec-21	FYE Dec-22	LTM Mar-23	FYE Dec-21	FYE Dec-22	LTM Mar-23	FYE Dec-22	FYE Dec-22	LTM Mar-23	FYE Dec-21	FYE Dec-22	LTM Mar-23
Revenue	1,439	1,710	1,724	17,938	19,078	19,314	3,806	4,216	4,559	1,455	1,641	1,726	2,396	2,647	2,769
CFO Pre-W/C	308	284	300	3,848	4,656	4,745	900	880	1,034	323	298	205	532	613	624
Total Debt	2,651	2,954	2,936	36,639	41,512	43,246	5,268	5,483	5,264	2,496	2,408	2,822	3,707	4,075	3,851
CFO Pre-W/C + Interest / Interest	3.9x	3.4x	3.2x	3.8x	4.0x	3.9x	4.5x	4.3x	4.9x	3.9x	3.4x	2.6x	4.6x	4.7x	4.7x
CFO Pre-W/C / Debt	11.6%	9.6%	10.2%	10.5%	11.2%	11.0%	17.1%	16.1%	19.6%	12.9%	12.4%	7.3%	14.4%	15.1%	16.2%
CFO Pre-W/C – Dividends / Debt	7.2%	5.2%	5.6%	6.4%	8.0%	7.8%	12.7%	15.4%	18.7%	7.1%	7.6%	4.5%	10.3%	11.2%	12.1%
Debt / Capitalization	48.7%	49.5%	48.6%	44.5%	53.6%	54.2%	49.3%	47.8%	47.0%	43.1%	40.8%	44.4%	54.4%	55.9%	52.0%

[1] All figures & ratios calculated using Moody's estimates & standard adjustments. FYE=Financial Year=End. LTM=Last Twelve Months. RUR* = Ratings under Review, where UPG = for upgrade and DNG = for downgrade
Source: Moody's Financial Metrics™

Ratings

Exhibit 14

Category	Moody's Rating
AVISTA CORP.	
Outlook	Stable
Issuer Rating	Baa2
First Mortgage Bonds	A3
Senior Secured	A3
Senior Unsecured MTN	(P)Baa2
AVISTA CORP. CAPITAL II	
Outlook	Stable
BACKED Pref. Stock	Baa3
ALASKA ELECTRIC LIGHT AND POWER COMPANY(AELP)	
Outlook	Stable
Issuer Rating	Baa3

Source: Moody's Investors Service

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