



January 23, 2019

To Our Valued Customers:

We wanted to share that on January 23rd, Avista and Hydro One announced that we have mutually agreed to terminate our proposed merger agreement after the Washington Utilities and Transportation Commission and the Idaho Public Utilities Commission denied approval of the transaction.

After careful consideration and analysis of the likelihood of achieving a timely reversal of those orders, the Boards of Directors of both companies determined that terminating the merger is the appropriate course of action. A copy of the public news release we issued can be found at [www.myavista.com/hydroone](http://www.myavista.com/hydroone).

Over the past 18 months, even as we worked hard to receive regulatory approval to complete the combination, we stayed focused on ensuring we were providing you the same great, high quality service you have come to expect from Avista. Going forward, we are the same strong and vibrant utility you know, with the same outstanding and dedicated team.

So, for all of Avista's stakeholders, it remains business as usual. Our mission and focus remains, as it always has been and will continue to be, to ensure that we take great care of you, our customers, and provide you with safe and reliable energy throughout the five states we proudly serve: Washington, Oregon, Idaho, Montana, and Alaska. As we pivot from the planned transaction, we look forward to continuing to build on our nearly 130-year history as an independent regional utility serving the Pacific Northwest.

On behalf of the 1,766 employees of Avista, we thank you for your continued support. We are honored to serve you.

Sincerely,

Avista

