



Compensation



Compensation that aligns with the marketplace

The details about Avista's rates, expenses, earnings and executive compensation can be complex. We understand that our customers have an interest in the salaries of our executives, especially when rates have gone up.

Avista, along with its Board of Directors, has processes and oversight in place to set executive salaries that are:

- competitive within the marketplace;
- tied to executive performance.

The amount included in rates that goes to salaries is reviewed by state public utility commissions to ensure they are reasonable.

The Board of Directors regularly engages an independent company to provide salary information about comparable executive positions at similar utilities. The recommended salaries are targeted to be competitive within the marketplace to help ensure that we can retain top talent and leadership.

The role of rates

When rates go up, they aren't going up to put money directly into the pockets of executive leadership. In fact, the salaries and incentives of all executive officers combined are less than one-half of a penny of every dollar paid in rates.

Other things you should know about rates and executive compensation include:

- The cost of energy and investments in infrastructure are what is driving rates.
- Rates cover two major costs: the cost of acquiring power and the cost of delivering that power to customers.
- Avista is cost-conscious and implements processes and programs that maximize efficiencies to keep rates reasonable.

A sound investment

Being financially responsible and sound allows us to further our efforts as an energy provider and community partner. This means we can:

- provide safe, reliable energy to our customers;
- offer family-wage jobs for employees;
- support the communities we serve;
- have the opportunity to provide a fair return to our shareholders.

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