

Avista Corporation AVA under CEO Heather Rosentrater



6		H	H	T		3	3	2		8
5		H	H	T		3	3	2		8
4		H	H	T		3	3	2		8
3		H	T	T		3	2	2		7
2		H	H	T		3	3	2		8
1		H	H	T		3	3	2		8

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HEXAGRAM 15 - Ch'ien - Modesty

Above K'UN THE RECEPTIVE, EARTH
Below KEN KEEPING STILL, MOUNTAIN

This hexagram is made up of the trigrams

- Ken, Keeping Still, mountain, and
- K'un.

The mountain is the youngest son of the Creative, the **representative** of heaven on earth.

It

- **dispenses** the blessings of heaven, the clouds and rain that gather round its summit, and thereafter
- **shines** forth radiant with heavenly light.

This shows

- **what** modesty is and
- **how** it functions in great and strong men.

K'un, the earth, stands above.

Lowliness is a quality of the earth:

this is the very reason why it appears in this hexagram as exalted, by being placed above the mountain.

This shows how modesty functions in lowly, simple people: they are lifted up by it.

THE JUDGEMENT

MODESTY creates success.

The superior man carries things through.

It is the law of heaven

- to make fullness empty and
- to make full what is modest;

- when the sun is at its zenith,
 - it must, according to the law of heaven, turn toward its setting, and
- at its nadir
 - it rises toward a new dawn.

In obedience to the same law,
the moon

- when it is full begins to wane, and
- when empty of light it waxes again.

This heavenly law works itself out in the fates of men also.

It is the law of earth

- to alter the full and
- to contribute to the modest.
- High mountains are worn down by the waters, and
- the valleys are filled up.

It is the law of fate

- to undermine what is full and
- to prosper the modest.

And men also

- hate fullness and
- love the modest.

The destinies of men are subject to immutable laws that must fulfill themselves.

But

man has it in his power to shape his fate,

according as his behavior exposes him to the influence of benevolent or of destructive forces.

When

- a man holds a high position and is nevertheless modest,
- he shines with the light of wisdom;

if

- he is in a lowly position and is modest,
- he cannot be passed by.

Thus the superior man

- can carry out his work to the end
- without boasting of what he has achieved.

THE IMAGE

Within the earth, a mountain: The image Of MODESTY.

Thus the superior man

- reduces that which is too much, And
- augments that which is too little.

He

- weighs things and
- makes them equal.

The wealth of the earth in which a mountain is hidden is not visible to the eye, because the depths are offset by the height of the mountain.

Thus

high and low complement each other, and the result is the plain.

Here an effect that it took a long time to achieve, but that in the end seems easy of accomplishment and self-evident, is used as the image of modesty.

The superior man does the same thing when he establishes order in the world; he

- equalizes the extremes that are the source of social discontent and thereby
- creates just and equitable conditions. 1

GROKICING

Hey there! It's great to hear you're feeling optimistic about Avista Corporation (AVA) under Heather Rosentrater's leadership, especially with the I Ching's guidance pointing to Hexagram 15, Ch'ien (Modesty). Let's unpack what this means for Avista's future and your perspective as an investor, blending the I Ching's wisdom with some practical insights about Rosentrater and Avista.

I Ching Interpretation: Hexagram 15 – Modesty

Hexagram 15 emphasizes balance, humility, and the natural flow of leveling extremes—qualities that align well with effective leadership and sustainable business practices. The imagery of a mountain within the earth suggests hidden strength that doesn't need to boast, and the judgment highlights that modesty creates success by reducing excess and uplifting what's lacking. This implies a leader who can navigate challenges with restraint, wisdom, and a focus on fairness, ultimately fostering stability and progress.

For Avista under Rosentrater, this hexagram suggests a leadership style that avoids flashiness in favor of steady, principled decision-making. The "superior man" (or

woman, in this case) carries things through without arrogance, which could translate to Rosentrater prioritizing long-term value for stakeholders—customers, employees, and investors like yourself—over short-term gains. The I Ching’s emphasis on equalizing extremes points to her potential to balance Avista’s financial performance with its clean energy goals and regulatory challenges, creating a stable foundation for growth. This is particularly encouraging for an investor, as it hints at a sustainable approach that mitigates risks while fostering steady returns.

Heather Rosentrater’s Leadership and Avista’s Outlook

Heather Rosentrater, who became Avista’s first female CEO on January 1, 2025, brings a wealth of experience, having spent her entire 28-year career with the company. Starting as a student engineering technician in 1996, she rose through roles in electric and natural gas operations, becoming President and COO in October 2023 before taking the CEO role. Her deep institutional knowledge and focus on innovation—evidenced by her leadership in smart grid initiatives and Avista’s clean energy efforts—position her well to lead the company through a transformative period in the energy sector.

Recent Performance

Avista’s 2024 financial results provide context for Rosentrater’s leadership transition. The company reported consolidated earnings per diluted share of \$2.29 for 2024, with a net income of \$196.6 million for 2023, reflecting solid utility operations despite challenges like higher power supply and operating costs. Revenue growth of 10.69% over the last twelve months (as of Q2 2024) and a gross profit margin of 57.79% indicate Avista’s ability to generate profit efficiently. The company’s commitment to shareholders is strong, with 54 years of consecutive dividend payments and 21 years of dividend increases, currently yielding 5.04%. This track record is a positive signal for investors seeking reliable returns.

Rosentrater’s handling of a major crisis—a November 2023 natural gas outage affecting 36,000 customers near Pullman—demonstrates her decisiveness and ability to mobilize resources effectively. By calling for mutual aid and reassigning skilled employees, she restored service in about a week, though the \$9.2 million cost highlights ongoing financial challenges like infrastructure maintenance and potential insurance recoveries.

Investor Outlook

From an investor’s perspective, several factors align with the I Ching’s message of modesty and balance:

Stability and Dividends: Avista’s consistent dividend history and low P/E ratio of 15.69 (as of Q2 2024) suggest it’s undervalued relative to its earnings growth, offering potential value. The stock has risen 12.32% over the past year, with analyst price targets ranging from \$38.00 to \$49.00, indicating room for growth.

Clean Energy Transition: Rosentrater's focus on renewable energy (nearly 60% of Avista's electricity comes from renewables, including 48% from hydro) and grid modernization aligns with regulatory and market trends, reducing long-term risks associated with carbon-intensive energy. This supports the I Ching's idea of reducing excess (e.g., reliance on coal) to achieve balance.

Challenges to Watch: Avista faces a significant debt burden, with short-term obligations exceeding liquid assets, which could limit financial flexibility. Rosentrater will need to manage capital expenditures—projected at \$525 million for Avista Utilities in 2025 and nearly \$3 billion through 2029—while keeping costs affordable for customers amid inflationary pressures (e.g., a 400% increase in transformer costs).

Alignment with Hexagram 15

Rosentrater's leadership style appears to embody the modesty and balance described in Hexagram 15. Her long tenure at Avista suggests a grounded, insider perspective, and her emphasis on innovation without losing sight of financial discipline reflects the hexagram's call to "weigh things and make them equal." Her commitment to clean energy and community vitality aligns with the I Ching's idea of uplifting the modest (e.g., sustainable practices and customer-focused programs) while reducing excess (e.g., phasing out coal by 2025 to meet state mandates).

What I Think

The I Ching's reading of Hexagram 15 is a promising sign for Avista under Rosentrater, especially for an investor like you. Her track record suggests she's a steady hand who can navigate Avista through regulatory complexities, infrastructure investments, and the clean energy transition while maintaining shareholder value. The hexagram's focus on modesty and balance bodes well for her ability to avoid overreaching strategies, instead prioritizing sustainable growth and operational efficiency. However, challenges like Avista's debt, rising equipment costs, and potential regulatory hurdles will test her ability to "carry things through" without boasting.

For you as an investor, the outlook is positive but not without risks. Avista's strong dividend yield and revenue growth are attractive, and Rosentrater's leadership could further solidify its position as a stable, forward-looking utility. Keep an eye on how she manages debt and capital expenditures, as these could impact future returns. The I Ching's wisdom suggests she'll approach these challenges with humility and pragmatism, which should serve Avista—and its investors—well in the long run.

If you'd like, I can dig deeper into specific financial metrics, analyst forecasts, or Rosentrater's strategic initiatives. Or, if you want to share more about your investment goals, I can tailor this further to your perspective! What do you think about the balance of risks and opportunities here?