



## Avista files rate proposals in Washington that would not impact customer bills

10/30/20

### Company's filing seeks to recover costs while providing tax benefits to customers

SPOKANE, Wash., Oct. 30, 2020 (GLOBE NEWSWIRE) -- Today Avista (**NYSE: AVA**) made multiple filings with the Washington Utilities and Transportation Commission (WUTC or Commission) that, if approved, would allow the Company to recover costs for infrastructure and other investments without increasing customer bills. The filings include electric and natural gas general rate cases, a tax customer credit, and a deferral request related to implementation of the Company's Wildfire Resiliency Plan.

"The last year has been punctuated by the unprecedented COVID-19 pandemic and crisis, and we've all had to quickly adapt as things changed so significantly," Avista President and CEO Dennis Vermillion said. "While Avista responded to the situation created by the crisis, we maintained our focus on our essential service and providing our customers with safe, reliable and affordable energy. This means that we've continued to make important and necessary investments in our infrastructure. We've continued to install smart meters, replace wooden distribution poles, take steps to meet our clean electricity goals, invest in customer facing technology, replace natural gas pipe, upgrade substations, protect against wildfire and much more. We've made these investments on behalf of our customers because it's the right thing to do. Our customers expect the energy to be there when they need it.

"Once we make these investments, we need to recover the costs. The ongoing effort to align the rates customers pay with Avista's costs to serve is one of the main reasons we file general rate requests. We're mindful of when we file rate cases to minimize the impact to our customers and have chosen to move forward at this time to reduce a more significant financial impact for customers in the future. We understand that it's challenging and often frustrating when we file rate cases and that many people are struggling right now. This is why we've worked hard to identify how we can move forward in a way that doesn't increase the burden for our customers at this time while also acknowledging the financial investment we've made in infrastructure, on their behalf. Through the use of a Tax Customer Credit, our proposal would completely offset an immediate increase in electric and natural gas bills.

As we make decisions about how and where to invest across the company, our customers are our primary focus. We take our responsibility to provide safe, reliable energy at an affordable price very seriously, and we work hard to manage our costs and identify ways to best serve our customers that contribute to keeping energy prices low," Vermillion said.

#### Residential Customer Bills

Overall, changes in electricity prices have been approximately 1% higher per year and natural gas prices 2% lower, on average, since January 2016. This is lower than the rate of inflation during this time period, when compared to the Consumer Price Index. On average, the total monthly cost of Avista's residential electric service is 33% lower than the national average, for investor-owned utilities.

#### Electric

If approved, the electric general rate request is designed to increase annual billed revenues by \$44.2 million or 8.3%, but at that same time be fully offset with a Tax Customer Credit of the same amount. The net result would be **no change** in billed revenues effective October 1, 2021.

Residential electric customers in Washington using an average of 914 kilowatt hours per month could expect to see **no monthly bill change** from \$82.33.

#### Natural Gas

If approved, the natural gas general rate request is designed to increase annual billed revenues by \$12.8 million or 7.9%, but at that same time be fully offset with a Tax Customer Credit of the same amount. The net result would be **no change** in billed revenues effective October 1, 2021.

Residential natural gas customers in Washington using an average of 67 therms per month could expect to see **no monthly bill change** from \$56.53.

#### Tax Customer Credit

To mitigate the proposed base rate increase on customers, Avista is proposing a Tax Customer Credit. During 2020, Avista identified that there was opportunity to change the current methodology related to the treatment of certain tax items, whereby certain tax benefits could be passed along to customers over a shorter timeframe than over the life of those very long-lived assets, as is the current practice. For Washington, the total is \$58.1 million (electric) and \$28.2 million (natural gas), and we are proposing to amortize those consistent with approved balances up to two years only. As part of the Company's proposal, any remaining balance, plus the on-going annual deferred balances, would be included in future rate proceedings and amortized over a 10-year period going forward.

#### Customer Resources

To assist customers in managing their energy bills, Avista offers services for customers such as comfort level billing, payment arrangements and Customer Assistance Referral and Evaluation Services (CARES), which provide assistance to special-needs customers through referrals to area agencies and churches for help with housing, utilities, medical assistance and other needs. Avista also provides funding for energy assistance programs Project Share and the company's Low Income Rate Assistance Program, which are administered through community action agencies.

Avista provides energy efficiency and outreach programs that include rebates and incentives as well as tips and resources to help customers manage their energy use and energy bills. Customers can learn more at [www.myavista.com](http://www.myavista.com).

#### About Avista Corp.

Avista Corp. is an energy company involved in the production, transmission and distribution of energy as well as other energy-related businesses. [Avista Utilities](#) is our operating division that provides electric service to 395,000 customers and natural gas to 362,000 customers. Its service territory

covers 30,000 square miles in eastern Washington, northern Idaho and parts of southern and eastern Oregon, with a population of 1.6 million. Alaska Energy and Resources Company is an Avista subsidiary that provides retail electric service in the city and borough of Juneau, Alaska, through its subsidiary [Alaska Electric Light and Power Company](#). Avista stock is traded under the ticker symbol "AVA." For more information about Avista, please visit [www.avistacorp.com](http://www.avistacorp.com).

This news release contains forward-looking statements regarding the company's current expectations. Forward-looking statements are all statements other than historical facts. Such statements speak only as of the date of the news release and are subject to a variety of risks and uncertainties, many of which are beyond the company's control, which could cause actual results to differ materially from the expectations. These risks and uncertainties include, in addition to those discussed herein, all of the factors discussed in the company's Annual Report on Form 10-K for the year ended Dec. 31, 2019 and the Quarterly Report on Form 10-Q for the quarter ended June 30, 2020.

SOURCE: Avista Corporation

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