



Avista reaches all-party settlement in Idaho general rate case

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If approved, customer tax credits will offset overall proposed base rate changes over the two-year plan

SPOKANE, Wash., June 14, 2021 (GLOBE NEWSWIRE) -- Avista (**NYSE: AVA**) and all parties to the Company's electric and natural gas general rate case have reached a settlement agreement that has been submitted to the Idaho Public Utilities Commission for its consideration.

If approved, the settlement agreement is designed to increase annual base electric revenues by \$10.6 million or 4.3%, effective Sept. 1, 2021, and by \$8.0 million or 3.1%, effective Sept. 1, 2022. For natural gas, the settlement agreement is designed to decrease annual base natural gas revenues by \$1.6 million or 3.7%, effective Sept. 1, 2021, and increase annual base natural gas revenues by \$0.9 million or 2.2%, effective Sept. 1, 2022. The parties have agreed to use the customer tax credits included in Avista's original filing to offset overall proposed changes to base electric and natural gas rates over the two-year plan.

After accounting for the base rate change and the tax customer credits, the overall billed revenue changes agreed to by the parties are provided below:

Electric Year 1 = no change
 Electric Year 2 = decrease of 0.8%
 Natural Gas Year 1 = decrease of 4.5%
 Natural Gas Year 2 = increase of 1.5%

The settlement capital structure includes a 9.4% return on equity (ROE) with a common equity ratio of 50% and a rate of return (ROR) on rate base of 7.05%. The overall outcome is in line with the Company's expected margin in this case. The primary element of the difference in the agreed upon base revenues in the settlement agreement from Avista's original request is the continued recovery of costs for Avista's wind generation power purchase agreements, which will include Palouse Wind and Rattlesnake Flat, through the power cost adjustment mechanism rather than through base rates, as well as reductions in overall net power supply costs, together totaling \$5 million.

"We're pleased to pass the benefits of the offsetting tax credits to our customers at this time. This settlement agreement will provide new rates in Idaho that are fair and reasonable for our customers, the Company, and our shareholders," said Dennis Vermillion, Avista president and CEO. "This outcome provides us the opportunity to continue to earn a fair return in Idaho and supports Avista's efforts to invest in and maintain our infrastructure so we can continue to provide the reliable energy our customers expect."

Residential Customer Bills

If the settlement is approved, a residential electric customer using an average of 892 kilowatt hours per month would see a modest 0.6% billed increase of \$0.49 per month for a revised monthly bill of \$86.12 effective Sept. 1, 2021, and a 0.4% billed increase of \$0.31 per month for a revised monthly bill of \$86.43 effective Sept. 1, 2022. A residential natural gas customer using an average of 63 therms per month would see a billed 4.6% decrease of \$2.30 per month for a revised monthly bill of \$47.19 effective Sept. 1, 2021, and a 1.6% billed increase of \$0.76 per month for a revised monthly bill of \$47.95 effective Sept. 1, 2022.

2021 & 2022 Electric Revenue Impact by Rate Schedule			
Rate Schedule	Description	2021 Billing Change	2022 Billing Change
Residential Service	Schedule 1	0.6%	0.3%
General Service	Schedules 11 & 12	0.0%	-2.5%
Large General Service	Schedules 21 & 22	0.0%	-0.8%
Extra Large General Service	Schedule 25	0.0%	-2.2%
Extra Large General Service 25P	Schedule 25P	-3.1%	-3.2%
Pumping Service	Schedules 31 & 32	0.0%	-0.8%
Street & Area Lights	Schedules 41 - 49	0.0%	-0.8%
Total		0.0%	-0.8%

2021 & 2022 Natural Gas Revenue Impact by Rate Schedule			
Rate Schedule	Description	2021 Billing Change	2022 Billing Change
General Service	Schedule 101	-4.6%	1.6%
Large General Service	Schedules 111 & 112	-3.7%	1.3%
Transportation Service	Schedule 146	-6.5%	2.3%
Total		-4.5%	1.5%

The actual percentage rate change will vary by customer rate schedule and will depend on how much energy a customer uses.

Avista serves more than 138,000 electric and 89,000 natural gas customers in Idaho.

Avista's Original Request

Avista's original request was designed to increase annual electric base revenues by \$24.8 million or 10.1% effective Sept. 1, 2021 and \$8.7 million or 3.2% effective Sept. 1, 2022. However, the Company proposed to apply a tax customer credit that would fully offset the increase for Sept. 1, 2021, resulting in no bill change for customers. For natural gas, the rate request was designed to increase annual base revenues by \$0.1 million or 0.1% effective Sept. 1, 2021 and \$1.0 million, or 2.2% effective Sept. 1, 2022. The Company proposed to offset those increases with the tax customer credit and other deferred customer credits.

The electric and natural gas requests were based on a proposed rate of return (ROR) on rate base of 7.30% with a common equity ratio of 50% and a 9.9% return on equity (ROE).

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, which aid customers through referrals to area agencies and other resources for help with housing, utilities, medical assistance, and other needs. Avista also provides funding for energy assistance programs and Project Share 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.

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 the operating division that provides electric service to 400,000 customers and natural gas to 367,000 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.

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, 2020 and the Quarterly Report on Form 10-Q for the quarter ended March 31, 2021.

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