



## **Avista requests recovery of costs for providing service in Oregon Customer bills would not change through use of tax credits**

10/22/21

**SPOKANE, Wash., October 22, 2021, 3:05 p.m. PST:** Today Avista (NYSE: AVA) filed a request with the Public Utility Commission of Oregon (PUC) that, if approved, would allow the Company to recover costs for ongoing natural gas infrastructure and other investments without increasing customer bills.

The proposal is designed to increase overall natural gas base revenue by approximately \$3.8 million and is based on a proposed rate of return of 7.35% with a common equity ratio of 50% and a 9.9% return on equity.

"Avista has maintained focus on our essential service and providing our customers with safe, reliable and affordable energy," said Avista President and CEO, Dennis Vermillion. "This means that we've continued to make important and necessary investments in our infrastructure, including replacement of aging natural gas infrastructure, expansions to accommodate customer needs, and upgrading customer-facing technology, among other things. 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."

The ongoing effort to align Avista's costs to serve customers with the rates customers pay is one of the main reasons the Company files general rate requests. Avista understands that rate cases can be challenging. By using tax credits, this rate proposal would allow the Company to recover costs for the important capital investments that make providing safe and reliable energy possible without increasing customer bills.

### **Capital Investments**

The majority of the current capital investments include upgrades and maintenance of natural gas pipe and distribution equipment as well as other information technology improvements. Major capital investments included in today's filing are:

- Continued investment in upgrading hundreds of miles of natural gas distribution pipelines that were installed 34 years ago or more to ensure safe and reliable service.
- Expansion of the natural gas system to meet the growing needs of customers.
- Replacement of natural gas pipe to improve the operation of the natural gas system and accommodate development and construction projects.
- Implementation and upgrades of technology systems that make it easier for customers to do business with Avista and that allow employees to perform their jobs and serve customers in a safe, reliable and efficient manner.

### **Customer Bills**

If approved by the PUC, the proposal is designed to increase annual billed revenues by \$3.8 million, but at that same time be fully offset for a two-year period with tax customer credits of the same amount. The net result would be no change in billed revenues effective Sept. 1, 2022, for a two-year period.

Residential natural gas customers in Oregon using an average of 48 therms per month would expect to see no change in their average monthly bill, which as of November 1, 2021 will be \$66.97 per month.

### **More About Rates**

On average, about 30% of an Oregon residential Avista customer's bill is the combined cost of purchasing natural gas on the wholesale market and transporting it through Avista's system for delivery to customers. These costs fluctuate up and down based on market prices and are not marked up by Avista. The remaining 70% is related to the ownership and operating costs of Avista's delivery system to provide safe, reliable, and affordable service to all customers while meeting mandatory state and federal requirements.

Avista serves approximately 105,000 customers in Oregon. The PUC has up to 10 months to review Avista's request.

### **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 customers through referrals to area organizations for help with housing, utilities, medical assistance and other needs. Avista also provides support to customer assistance funds such as Project Share. In addition, Avista provides energy efficiency and outreach programs, including rebates and incentives, which help customers manage their energy use. Since 2017 we have partnered with the Energy Trust of Oregon for these programs. To learn more, visit [www.myavista.com/assistance](http://www.myavista.com/assistance).

### **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](http://www.avista.com) is our 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 1.7 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](http://www.alaskapower.com). 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, 2020 and the Quarterly Report on Form 10-Q for the quarter ended June 30, 2021.

SOURCE: Avista Corporation

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