



Avista reaches multiparty settlement of all issues in Washington general rate case

06/28/22

If approved, new rates would take effect beginning Dec. 2022 and Dec. 2023.

SPOKANE, Wash., June 28, 2022 (GLOBE NEWSWIRE) -- Avista (**NYSE: AVA**) and certain parties to the company's electric and natural gas general rate cases have reached a settlement agreement that has been submitted to the Washington Utilities and Transportation Commission (UTC or Commission) for its consideration. If approved, new rates would take effect in Dec. 2022 and Dec. 2023.

In addition to Avista, the parties to the electric and natural gas rate cases include the Staff of the UTC, the Public Counsel Unit of the Washington Attorney General's Office (Public Counsel), the Alliance of Western Energy Consumers, the NW Energy Coalition, The Energy Project, Walmart, Sierra Club, and Small Business Utility Advocates. All parties, apart from Public Counsel, agreed on the terms of settlement of all issues in Avista's general rate case.

The settlement includes, among other things, agreement on electric and natural gas revenue requirement increases for both years of the multi-year rate plan. The recommendation to the Commission by the Staff of the UTC or other parties to approve the multiparty settlement is not binding on the Commission itself.

If approved, the settlement agreement is designed to increase annual electric revenues by \$38 million effective in Dec. 2022 and \$12.5 million effective in Dec. 2023 and increase annual natural gas revenues by \$7.5 million effective in Dec. 2022 and \$1.5 million effective in Dec. 2023. To mitigate the overall impact of the revenue increases on customers, concurrent with the effective date of this rate case, the settling parties agreed to offset part of the 2022 base rate request with a Residual Tax Customer Credit. The estimated benefits of \$27.6 million for electric customers and \$12.5 million for natural gas customers will be incrementally returned over a two-year period from Dec. 2022 – Dec. 2024.

The electric and natural gas requests are based on a proposed rate of return (ROR) of 7.03% but the parties did not otherwise agree on an explicit return on equity, cost of debt, or capital structure.

"We are pleased that the parties were able to reach a joint recommendation to the Commission in this case," said Dennis Vermillion, Avista president and CEO. "If approved, this outcome provides a positive framework for our Washington operations that benefits both our customers and shareholders. We take our responsibility to provide safe, reliable energy at an affordable price very seriously, and we have and will continue to work hard to manage our costs and identify ways to best serve our customers that contribute to keeping energy prices affordable."

Other Settlement Items

The settlement agreement also addresses several other items, including modifications to the Company's low-income rate assistance programs, implementation of an insurance expense balancing account to address the volatility of insurance costs, tracking of certain performance metrics, changes to the Company's natural gas line extension policies, and the cost recovery associated with the Dry Ash Disposal System project at the Colstrip Power Plant. While Avista believes this investment is prudent, the settlement agreement results in a one-time write-off in 2022 of \$4.0 million by excluding the project from customer rates.

Washington Residential Customer Bills

Electric

Effective Dec. 2022: Including the effects of the Residual Tax Customer Credit, residential electric customers in Washington using an average of 932 kilowatt hours per month could expect to see a total billed increase of 5.2% or \$4.47 for a revised monthly bill of \$89.99 from \$85.52.

Effective Dec. 2023: Residential electric customers in Washington using an average of 932 kilowatt hours per month could expect to see a total billed increase of 2.5% or \$2.24 for a revised monthly bill of \$92.23 from \$89.99.

Natural gas

Effective Dec. 2022: Including the effects of the Residual Tax Customer Credit, residential natural gas customers in Washington using an average of 67 therms per month could expect to see a total billed increase of 0.3% or \$0.20 for a revised monthly bill of \$65.06 from \$64.86.

Effective Dec. 2023: Residential natural gas customers in Washington using an average of 67 therms per month could expect to see a total billed increase of 0.8% or \$0.52 for a revised monthly bill of \$65.58 from \$65.06.

Proposed Changes by Service Schedule

The requested electric increase by service schedule, including the effects of the Residual Tax Customer Credit, is as follows:

Rate Schedule	2022 Billing Increase	2023 Billing Increase
Residential Service - Schedules 1/2	5.5%	2.5%
General Service - Schedules 11/12	3.7%	2.1%
Large General Service - Schedules 21/22	3.7%	2.1%
Extra Large General Service - Schedule 25	2.0%	1.0%
Extra Large Special Contract	1.9%	1.0%
Pumping Service - Schedules 31/32	4.9%	2.2%
Street & Area Lights - Schedules 41 – 48	5.1%	2.3%

Total	4.3%	2.2%
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The requested natural gas increase by service schedule is as follows:

Rate Schedule	2022 Billing Increase	2023 Billing Increase
General Service Schedules 101/102	0.7%	0.8%
Large General Service Schedules 111/112/116	0.5%	0.6%
Interrupt. Sales Service Schedules 131/132	0.5%	0.6%
Transportation Service Schedule 146	1.2%	1.4%
Total	0.7%	0.8%

The actual percentage increase for electric and natural gas customers will vary by customer class and depend on how much energy a customer uses.

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 (LIRAP), 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 our operating division that provides electric service to 403,000 customers and natural gas to 369,000 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, 2021 and the Quarterly Report on Form 10-Q for the quarter ended Mar 31, 2022.

SOURCE: Avista Corporation

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