



Avista files multiyear electric and natural gas rate plan in Idaho

February 1, 2023

Company seeks to recover costs for ongoing infrastructure investments and increased operating costs

SPOKANE, Wash., Feb. 01, 2023 (GLOBE NEWSWIRE) -- Today, Avista (**NYSE: AVA**) has filed a multiyear rate plan with the Idaho Public Utilities Commission that would allow the Company to recover costs for fixed expenses and ongoing investments to infrastructure, technology and more. If approved, new rates would be effective in Sept. 2023 and Sept. 2024.

"As an energy provider, we understand we play a vital role in the daily lives of those we serve, and we take this responsibility seriously," said Avista president and CEO Dennis Vermillion. "As costs for goods and services have gone up across the board, we recognize how challenging increases in energy prices can be for our customers. We work hard to make decisions that will help keep these costs affordable, because we know this matters to all of our customers."

"Part of the responsibility of providing an essential service is to make sure customers have energy when they need it. This means that we must continue to make important and necessary investments to the infrastructure that serves our customers such as replacing wood distribution poles and aging natural gas pipelines, making our system more resilient to the threat of wildfires and storms, upgrading customer-facing technology and substations, and much more. We've made these investments on behalf of our customers because it's the right thing to do.

"There are also new pressures causing costs to go up for all companies and industries. Supply chain constraints, inflation and increasing interest rates are contributing to a challenging operating environment, making it more difficult to control costs. In just the last year, we've seen the costs of basic utility equipment such as transformers and electric poles increase in the range of 15-54%. Avista is not unique in this regard.

"We continue to aggressively manage costs to achieve the appropriate balance of providing safe and reliable service at cost-effective rates, along with a high level of customer satisfaction, while preserving the financial health of the utility. We are focused on long-term sustainable savings to continuously improve our service to customers and manage costs into the future.

"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. It's important for the health of the company and an essential part of providing safe and reliable energy." Vermillion said.

Avista's Requests

The proposal is a two-year rate plan, with new rates taking effect in Sept. 2023 and Sept. 2024. This plan would create a stay out period where Avista would not file a new general rate case for new rates to be effective prior to Sept. 2024. This would provide customers with some predictability in their expected future energy prices.

If approved, the electric general rate request is designed to increase annual base revenues by \$37.5 million (or 14.7% on a billed basis) effective in Sept. 1, 2023, and \$13.2 million (or 4.5% on a billed basis) effective in Sept. 1, 2024.

If approved, the natural gas general rate request is designed to increase annual revenues by \$2.8 million (or 2.7% on a billed basis) effective in Sept. 1, 2023, and \$0.1 million (or 0.1% on a billed basis) effective in Sept. 1, 2024.

The electric and natural gas requests are based on a proposed rate of return of 7.59%, with a common equity ratio of 50%, and a 10.25% return on equity.

Infrastructure Investments

Avista needs to continue to replace infrastructure that has reached the end of its useful life, as well as respond to the need for reliability and technology investments required to build the integrated energy services grid that will take us into the future. Among the projects included in today's filing are:

- Ongoing management, inspection and replacement of 240,000 electric distribution wood poles through Avista's wood pole management program to ensure poles and the equipment on them support the company's ability to provide customers with safe and reliable power.
- Continued investment in Avista's Wildfire Resiliency Plan, which outlines substantial steps that Avista has taken to guard against the growing threat of wildfires including grid hardening, enhanced vegetation management, and other industry-leading best practice measures.
- The ongoing project to systematically replace portions of natural gas distribution pipe in Avista's service area that were installed prior to 1987, as well as replacement of other natural gas service equipment to strengthen the integrity, safety, and reliability of the system.
- Technology upgrades that support necessary business processes and operational efficiencies that allow Avista to effectively manage the utility and serve customers.

Idaho Residential Customer Bills

Since Jan. 2016, overall average electricity prices have remained flat and natural gas prices have increased 3.8% per year.

Electric

Effective Sept. 2023: Residential electric customers in Idaho using an average of 927 kilowatt hours per month could expect to see a total billed increase of 15.4% or \$13.18 for a revised monthly bill of \$98.58 from \$85.40. The proposed monthly increase includes an \$8 per month proposed

increase in the basic charge to a level of \$15.00 per month.

Effective Sept. 2024: Residential electric customers in Idaho using an average of 927 kilowatt hours per month could expect to see a total billed increase of 4.7% or \$4.66 for a revised monthly bill of \$103.24 from \$98.58. The proposed monthly increase includes a \$5 per month proposed increase in the basic charge to a level of \$20.00 per month, offset by a slight decrease in the volumetric per-kWh rate.

Natural gas

Effective Sept. 2023: Residential natural gas customers in Idaho using an average of 64 therms per month could expect to see a total billed increase of 3.5% or \$2.60 for a revised monthly bill of \$76.02 from \$73.42. The proposed monthly increase includes an \$8 per month proposed increase in the basic charge to a level of \$15.00 a month, offset by a decrease in the volumetric, per-therm rate.

Effective Sept. 2024: Residential natural gas customers in Idaho using an average of 64 therms per month could expect to see a total billed increase of 0.2% or \$0.14 for a revised monthly bill of \$76.16 from \$76.02. The proposed monthly increase includes a \$5 per month proposed increase in the basic charge to a level of \$20.00 a month, offset by a decrease in the volumetric, per-therm rate.

Proposed Changes by Service Schedule

The requested electric increase by service schedule is as follows:

Rate Schedule	Sept. 2023 Billing Increase	Sept. 2024 Billing Increase
Residential Service – Schedule 1	15.3%	4.7%
General Service - Schedules 11/12	14.2%	4.4%
Large General Service - Schedules 21/22	14.1%	4.3%
Extra Large General Service - Schedule 25	14.2%	4.4%
Extra Large General Service - Schedule 25P	14.0%	4.3%
Pumping Service - Schedules 31/32	14.2%	4.4%
Street & Area Lights - Schedules 41 – 49	13.8%	4.2%
Total	14.7%	4.5%

The requested natural gas increase by service schedule is as follows:

Rate Schedule	Sept. 2023 Billing Increase	Sept. 2024 Billing Increase
General Service Schedule 101	3.5%	0.1%
Large General Service Schedules 111/112	0.0%	0.0%
Interrupt. Sales Service Schedules 131/132	0.0%	0.0%
Transportation Service Schedule 146	0.0%	0.0%
Total	2.7%	0.1%

The actual percentage increase for electric and natural gas customers will vary by customer rate group 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 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.

Rate Application Procedure and Additional Information

Avista’s application is a proposal, subject to public review and a Commission decision. Copies of the applications are available for public review at the offices of both the Commission and Avista, and on the Commission’s website (www.puc.idaho.gov). Customers may file with the Commission written comments related to the Company’s filing. Customers may also subscribe to the Commission’s RSS feed (<https://puc.idaho.gov/RssPage>) to receive periodic updates via e-mail about the case. Copies of the rate filing is also available on our website, www.myavista.com/rates.

The Commission will begin a comprehensive review of Avista’s application and will seek public input. If you would like to submit comments on the proposed increase (Case No. AVU-E-23-01 and AVU-G-23-01), you can do so by going to the Commission website or mailing comments to:

Idaho Public Utilities Commission
P. O. Box 83720
Boise, ID 83720-0074

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 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 September 30, 2022.

SOURCE: Avista Corporation

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