



Avista Makes Annual Price Adjustment Requests in Washington and Idaho

September 1, 2023

Overall changes in electric and natural gas prices would be effective November 1, 2023.

SPOKANE, Wash., Sept. 01, 2023 (GLOBE NEWSWIRE) -- Avista (**NYSE: AVA**) has made annual rate adjustment filings with the utility commissions in Washington and Idaho that, if approved, will result in an increase in electric rates and decrease in natural gas rates in Washington, and increase natural gas rates in Idaho, effective November 1, 2023.

Washington Electric Adjustment Filings

Four electric adjustments were filed, that if approved, are designed to change overall electric revenues as follows:

1. Wildfire Expense Balancing: increase of \$3.3 million or 0.6%
2. Residential Exchange Program: increase of \$1.1 million or 0.2%
3. Insurance Expense Balancing: increase of \$0.1 million or 0.0%
4. Low Income Rate Assistance Program: increase of \$7.6 million or 1.3%

Washington Natural Gas Adjustment Filings

Two electric adjustments were filed, that if approved, are designed to change overall natural gas revenues as follows:

1. Purchased Gas Cost Adjustment: decrease of \$8.1 million or 3.0%
2. Low Income Rate Assistance Program: increase of \$4.6 million or 1.7%
3. Insurance Expense Balancing: increase of \$10 thousand or 0.0%

Idaho Natural Gas Adjustment Filing

One natural gas adjustment was filed that, if approved, is designed to change overall natural gas revenues as follows:

1. Purchased Gas Cost Adjustment: increase of \$5.4 million or 5.0%

Purchased Gas Cost Adjustment (PGA) – Applicable to Washington and Idaho Natural Gas

PGA requests are typically filed annually to balance the actual cost of wholesale natural gas purchased by Avista to serve customers with the amount presently included in customer's rates. Avista does not make a profit on, or markup, the wholesale cost of natural gas. PGAs ensure customers pay what Avista pays, dollar for dollar, only at a more predictable and stable rate throughout the year. About 55% of an Avista natural gas customer's bill is the combined cost of purchasing natural gas on the wholesale market and transporting it to Avista's system.

These rate adjustments are driven primarily by higher wholesale natural gas prices observed during this past winter, which were well above the amounts included in rates. That was partially offset by lower forward wholesale natural gas prices for the upcoming PGA year. For Washington, the reduction is largely driven by a reduction in the current seasonal surcharge amortization rate in effect for residential customers, as approved by the Washington Utilities and Transportation Commission last Fall.

Wildfire Balancing – Applicable to Washington Electric

The Wildfire Expense Balancing account tracks the difference in wildfire expenses incurred by Avista to address the growing frequency of extreme and dangerous wildfires in Avista's service territory to the base level of expense approved by the Commission. The difference is rebated to or collected from customers annually. The rate increase proposed today reflects the higher level of expense incurred above the amount presently included in customer's rates.

Residential Exchange Program – Applicable to Washington Electric

The Residential Exchange Program provides a share of the benefits of the federal Columbia River power system to the residential and small farm customers of the investor-owned utilities in the Pacific Northwest, including Avista. Avista applies the benefits it receives, which typically fluctuate from year to year, to customers as a credit in their monthly electric rates. Due to fluctuations in usage, Avista rebated to customers a level of benefits that was higher than the level of benefits received from BPA. Through this filing Avista is seeking to slightly decrease the level of benefits provided to qualifying customers in order to return the over-rebated balance.

Low Income Rate Assistance Program – Applicable to Washington Electric and Natural Gas

The Low Income Rate Assistance Program, or LIRAP, provides bill assistance to income eligible customers with a household income less than or equal to 200% Federal Poverty Level (FPL) or 80% Area Median Income (AMI), whichever is greater. While this program has historically provided lump-sum grants to customers, LIRAP will transition to an income-based bill discount – in addition to offerings to help customers manage their past due balances, or arrearages – on October 1, 2023. This new bill assistance model will expand LIRAP to serve more customer than ever before, therefore requiring increased funding to do so. The rate increase proposed reflects this higher level of funding needed.

Insurance Balancing – Applicable to Washington Electric and Natural Gas

The Insurance Expense Balancing account tracks the difference in insurance expense incurred by Avista to the base level of expense approved by the Commission. The difference is rebated to or collected from customers annually. The rate changes proposed reflect the higher level of expense incurred for electric customers and lower expense incurred for natural gas customers, compared to the amount presently included in customer's rates.

Electric Customer Bills

Washington: If approved, residential electric customers in Washington using an average of 932 kilowatt hours per month would see their monthly bills change from \$87.53 to \$89.88, an increase of \$2.35 per month, or approximately 2.7%.

The percentage change varies by rate schedule and is dependent upon how much energy customers on the respective rate schedules use. If approved, residential electric customers would see the following rate adjustments:

Residential Service - Schedule 1 & 2	2.6%
General Service - Schedules 11 & 12	1.6%
Large General Service - Schedules 21 & 22	1.8%
Extra Large General Service - Schedule 25 & 25I	1.3%
Pumping Service - Schedules 31 & 32	2.7%
Street & Area Lights - Schedules 41-48	<u>2.4%</u>
Overall	2.1%

Natural Gas Customer Bills

Washington: If approved, residential natural gas customers using an average of 67 therms per month would see their monthly bills change from \$96.78 to \$92.13, a decrease of \$4.65 per month, or approximately 4.8%.

The percentage change varies by rate schedule and is dependent upon how much energy customers on the respective rate schedules use. If approved, natural gas customers would see the following rate adjustments:

General Service - Schedule 101 & 102	(4.5)%
Large General Service - Schedule 111 & 112	10.2%
Interruptible Sales Service - Schedule 131 & 132	(18.9)%
Transportation Service - Schedule 146	<u>(0.1)%</u>
Overall	(1.3)%

Idaho: If approved, residential natural gas customers using an average of 64 therms per month would see their monthly bills change from \$74.62 to \$78.16, an increase of \$3.54 per month, or approximately 4.7%.

The percentage change varies by rate schedule and is dependent upon how much energy customers on the respective rate schedules use. If approved, natural gas customers would see the following rate adjustments:

General Service - Schedule 101	4.7%
Large General Service - Schedule 111 & 112	6.3%
Interruptible Sales Service - Schedule 131 & 132	0.0%
Transportation Service - Schedule 146	<u>0.0%</u>
Overall	5.0%

To help customers proactively manage their energy use, Avista offers services to those who may need and qualifies for assistance in managing their energy bills such as comfort level billing, payment arrangements and special circumstantial referrals to area agencies and churches for help with housing, utilities, medical assistance and other needs. Avista also provides funding for energy assistance programs which are administered through community action agencies.

Energy efficiency and outreach programs are also offered which 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](http://www.avistacorp.com) is our operating division that provides electric service to 408,000 customers and natural gas to 375,000 customers. Our 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. AERC is an Avista subsidiary that, through its subsidiary AEL&P, provides retail electric service to 17,000 customers in the city and borough of Juneau, Alaska. Our 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 and the Quarterly Report on Form 10-Q for the quarter ended June 30, 2023, and its Annual Report on Form 10-K for the year ended Dec. 31, 2022.

Avista Corp. and the Avista Corp. logo are trademarks of Avista Corporation.

SOURCE: Avista Corporation

To unsubscribe from Avista's news release distribution, send a reply message to lana.funston@avistacorp.com

Contact:

Media: Lena Funston (509) 495-8090 lana.funston@avistacorp.com
Investors: Stacey Wenz (509) 495-2046, stacey.wenz@avistacorp.com



Source: Avista Corporation