



Avista requests recovery of costs for providing service in Oregon

November 1, 2024

Investments in infrastructure and increases in cost-of-service drive rate request

SPOKANE, Wash., Nov. 01, 2024 (GLOBE NEWSWIRE) -- Today, Avista (NYSE: AVA) filed a request with the Public Utility Commission of Oregon (PUC) to increase natural gas base rates effective September 1, 2025.

The proposal is designed to increase overall natural gas base revenue by approximately \$7.8 million, or 6.6% on a billed basis, and is based on a proposed rate of return of 7.67% with a common equity ratio of 50% and a 10.4% return on equity.

"Our customers remain our primary focus as we make decisions about how and where to invest across the company," Avista CEO Dennis Vermillion said. "We strive to keep energy affordable while making important and necessary investments in our infrastructure. We've made these investments on behalf of our customers because it's the right thing to do. We want our customers to have energy available when they need it."

"Our costs to deliver energy continue to outpace our revenue. Avista is not unique in this regard; utilities across the nation work to replace infrastructure and meet increasing compliance obligations while the fixed costs of operating and maintaining systems are increasing."

"Once we make investments in our system, we must recover the costs. It's important for the health of the company and an essential part of providing safe and reliable energy to better align the rates customers pay with Avista's costs to serve through these general rate requests. We understand that it's challenging and often frustrating when we file rate cases and that many people are struggling."

"We are pleased that the Commission recently approved requests by the Company that reduce customer rates beginning in November, resulting from our annual purchased gas cost adjustments. That decrease was approximately \$15.1 million, or 11.5%," Vermillion said. "Our My Energy Discount program has also helped many Oregon customers with their natural gas bills."

Infrastructure Investments

The capital investments driving our need for rate relief 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:

- The continuation of a major project to replace portions of natural gas distribution pipe. The project is replacing hundreds of miles of natural gas pipeline that was installed prior to 1987.
- Replacement of natural gas infrastructure that has reached the end of its useful life or needs to be replaced due to other regional infrastructure or compliance requirements.
- Implementation and upgrades of technology systems that make it easier for customers to do business with Avista and that enable employees to perform their jobs and serve customers in a safe, reliable and efficient manner.

Customer Bills

If approved by the PUC, a residential customer using an average of 47 therms per month would see a \$4.37 per month increase, or 6.8 percent, for a revised monthly bill of \$68.67 (inclusive of a proposed \$1.75 per month increase in the basic charge).

The actual percentage and dollar increase will vary by customer class and will depend on how much energy a customer uses. The requested natural gas rate billing changes by rate schedule are as follows:

Residential Schedule 410/411	6.7%
General Service Schedule 420	7.2%
Large General Service Schedule 424	3.1%
Interruptible Service Schedule 440	2.4%
Seasonal Service Schedule 444	2.5%
Transportation Service Schedule 456	7.0%
Overall	6.6%

More About Rates

On average, about 40% 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 60% 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 106,000 customers in Oregon. The PUC has up to 10 months to review Avista's request.

Customer Resources

More Oregon customers than ever before now qualify for our monthly bill discount program. Discounts are based on household size and annual income and last for two years. With higher income limits than other programs, more people are eligible. Plus, participants can still receive other energy assistance and services from local community action agencies. Applying is quick and easy with no paperwork required. Visit

www.myavista.com/myenergydiscountOR to learn more. Avista also provides support to customer assistance funds such as Project Share. And since 2017, we have partnered with the Energy Trust of Oregon to provide energy efficiency programs, including rebates and incentives, which help customers manage their energy use. To learn more, visit 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](#) is the operating division that provides electric service to 418,000 customers and natural gas to 382,000 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 to 18,000 customers 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, 2023 and the Quarterly Report on Form 10-Q for the quarter ended June 30, 2024.

SOURCE: Avista Corporation

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