

Important Notice for Washington Electric Customers

(May 2019)

On March 29, 2019, Avista filed two rate requests with the Washington Utilities and Transportation Commission (Commission) to decrease electric rates to qualifying customers effective July 1, 2019. The request reflects a rate adjustment to return deferred costs related to the Company's Energy Recovery Mechanism (ERM) balance to customers, as well as adjust the present rebate customers are receiving related to Renewable Energy Credits ("RECs").

As it relates to the ERM rate adjustment, under the mechanics of the Commission-approved mechanism, if Avista has a deferral balance of \$30 million or higher due to higher or lower energy prices, Avista is required to either surcharge, or rebate, that deferred balance to customers. Lower wholesale natural gas costs, in part, has contributed to Avista incurring lower power supply costs in recent years, increasing the deferred balance to \$34.4 million. The Company's filing seeks to return that balance, along with associated interest, to customers effective July 1, 2019. The rebate is proposed to be in effect over a 36 month period.

The second filing is a true up related to the amount of REC revenue benefits customers are presently receiving. Last year the Commission approved a rebate of approximately \$2.0 million, effective July 1, 2018. Due to changing utility needs requiring Avista to retain rather than sell RECs, Avista is proposing to decrease the rebate amount to \$1.4 million, effective July 1, 2019. That rate would be in effect over a 12 month period. The overall increase is \$0.6 million, or 0.1%.

When combined together, the net overall rate impact to customers is a decrease of 2.4 percent. The proposed rate decrease by schedule is shown below:

Proposed Rate Decrease by Schedule:

Schedule No.	Rate Schedule	Total Decrease % Billed
1/2	Residential	-2.4%
11/12	General Service Schedule	-1.8%
21/22	Large General Service Schedule	-2.4%
25	Ext. Lg. General Service Schedule	-3.6%
31/32	Pumping/ Service Schedule	-2.6%
41-48	Street and Area Lights Schedule	-0.7%
	Overall	-2.4%

The percentage change for electric customers varies by rate schedule and depends on how much energy a customer uses. The average residential customer using 918 kWhs per month will see a decrease of \$2.00 per month, or approximately 2.4%. The present bill for 918 kWhs is \$81.21 while the proposed bill is \$79.21. The actual decrease will vary based on customer usage. If approved, customers would see the following rate adjustments:

Proposed Schedule 1 Residential Rates:

Electric Service ERM/REC Rebate	Current Billing Rate	Proposed Decrease	Proposed Billing Rate
Basic Charge	\$9.00	\$ -	\$9.00
First 800 Kwh/Month	\$0.07708	\$(0.00218)	\$0.07490
Next 700 Kwh/Month	\$0.08940	\$(0.00218)	\$0.08722
Over 1,500 Kwh/Month	\$0.10451	\$(0.00218)	\$0.10233

The Company's requests are proposals, subject to public review and a Commission decision. The Commission has the authority to set final rates that may vary from the utility's request, which may be either higher or lower depending on the results of the investigation. You may contact the UTC to inquire about the Commission process, or to be notified about the scheduled open meetings at which the proposal will be considered. You can contact the Commission to comment on Avista's rate proposals via email at comments@utc.wa.gov, by telephone at 1-888-333-WUTC (9882), via letter at: P.O. Box 47250, Olympia, WA 98504-7250, or online at: www.utc.wa.gov. Copies of the rate requests are available for public review on the Commission website, at the Company offices located at: 1411 E. Mission Ave, Spokane, WA 99202, as well as on our website at www.myavista.com/rates.