

You may contact the Commission with questions or share your comments by one of the following ways. Please include your name and mailing address, the name of the company (Avista), and the Dockets UE-220053 and UG-220054.

To submit a comment

- Fill out the Online Comment Form. Go to www.utc.wa.gov and click on "Submit a public comment" link;
- Email comments@utc.wa.gov;
- Call 1-888-333-9882; or
- Write the UTC at: P.O Box 47250, Olympia, WA 98504-7250

The Commission is committed to providing reasonable accommodations to participants with disabilities. If you need reasonable accommodations, please contact the Commission at human_resources@utc.wa.gov or (360) 664-1132.

For more information about the proposed rate change, conservation tips and energy efficiency programs, energy assistance programs and bill payment plans, visit us at www.myavista.com or contact us at 1-800-227-9187, or by mail at P.O. Box 3727, Spokane, WA 99220.

Residential and small business customers are represented by the Public Counsel Unit of the Washington State Attorney General's Office. You can contact them via the web at www.atg.wa.gov/utilities-regulated or by email at utility@atg.wa.gov.

How Can You Participate in the Rate Case Process?

The Commission is conducting an investigation and will hold hearings to examine the requested rate changes. The Commission has the authority to set final rates that may be different from Avista's request, based on the results of the investigation, stakeholder input, and customer feedback. The Commission can take up to 11 months to review the filing and should issue its ruling on or before December 21, 2022.

Virtual Public Hearing September 7, 2022, 6 p.m.

The WUTC will conduct a virtual public hearing to take comments from the public. You can participate via the Zoom link or by phone:

Zoom: <https://utc-wa-gov.zoom.us>
and enter Meeting ID: 932 0659 3527
Password: 333313

Phone: (253) 215-8782 and enter Meeting ID: 932 0659 3527
Passcode: 333313

If you plan to participate, please call 1-888-333-9882 at least one day before the hearing to sign in. When you join the hearing via Zoom, please mute your connection. If participating via phone, press *6 to mute your phone.

AV45131



July, 2022

Avista requests electric and natural gas rate changes in Washington

Need help making your Avista bill more affordable?

Avista has a variety of tools available to help customers who may need them, such as:

- Billing and Payment options
- Energy assistance programs and grants
- Energy saving tools and advice
- Rebates

Customers may qualify for payment arrangements and bill or energy assistance programs on an individual basis, as determined by eligibility and need.

If you find that you need a helping hand, please contact us.

To learn more about these and other options, go to www.myavista.com or call 1-800-227-9187.



The Company seeks recovery of costs for investing in infrastructure and systems serving our customers

On Jan. 21, 2022, Avista filed a two-year rate plan request with the Washington Utilities and Transportation Commission to increase electric and natural gas base rates, and to partially offset these increases with certain tax benefits, resulting in a smaller increase to average monthly bills for customers. If approved by the Commission, the electric and natural gas rates charged to customers would increase each year over the next two years, effective Dec. 21, 2022 and Dec. 21, 2023. The Commission has up to 11 months to review the filing, and will ultimately approve, deny, or modify the requested rate increases.

If approved, electric revenues would increase as follows, after taking into account the Residual Tax Customer Credit discussed below:

- **December 21, 2022:** 7.4% or \$40.1 million
 - **December 21, 2023:** 3.0% or \$17.1 million
- If approved natural gas revenues would increase as follows, after taking into account the Residual Tax Customer Credit discussed below:
- **December 21, 2022:** 2.5% or \$4.7 million
 - **December 21, 2023:** 1.1% or \$2.2 million

In its request, the Company is proposing to return approximately \$38 million of Residual Tax Customer Credits to customers (\$12.7 million for electric and \$6.2 million for natural gas in each year of the rate plan), which would be incorporated into customers' billing rates and help to offset the proposed revenue increases for each of the two years. Once the Residual Tax Customer Credit expires, electric and natural gas customer rates will increase to the amount approved by the Commission.

Electric Bill Changes

If the Commission approves Avista's requests, after incorporating the base revenue change with the proposed Residual Tax Customer Credit offset, the proposed monthly bill change for a residential customer using an average of 932 kilowatt hours (kWhs) per month could expect to see billed increases as follows:

- **December 21, 2022:** Increase of \$6.52 per month, or 7.9%, for an average monthly bill increase from \$82.56 to \$89.08.
- **December 21, 2023:** Increase of \$2.80 per month, or 3.1%, for an average monthly bill increase from \$89.08 to \$91.88.
- **December 21, 2024:** Upon expiration of the Residual Tax Customer Credit offset, increase of \$2.19 per month, or 2.4% for an average monthly bill increase from \$91.88 to \$94.07.

The current and proposed rates for residential service are as follows:

Year 1 Electric - Proposed Schedule 1 Residential Billing Rates:

Electric Service	Current Bill Rates	Proposed Change	Proposed Bill Rates
Basic Charge	\$9.00	+\$2.00	\$11.00
First 800 kWhs/month	\$0.07705	+\$0.00469	\$0.08174
Next 700 kWhs/month	\$0.09029	+\$0.00584	\$0.09613
Over 1,500 kWhs/month	\$0.10655	+\$0.00726	\$0.11381

Year 2 Electric - Proposed Schedule 1 Residential Billing Rates:

Electric Service	Current Bill Rates	Proposed Change	Proposed Bill Rates
Basic Charge	\$11.00	-	\$11.00
First 800 kWhs/month	\$0.08174	+\$0.00293	\$0.08467
Next 700 kWhs/month	\$0.09613	+\$0.00340	\$0.09953
Over 1,500 kWhs/month	\$0.11381	+\$0.00400	\$0.11781

The proposed electric revenue changes by service schedule, including the Residual Tax Customer Credit offset, are as follows:

Rates Schedule	Rate Year 1 Billing Change	Rate Year 2 Billing Change
Residential Service - Schedules 1/2	7.9%	3.1%
General Service - Schedules 11/12	7.0%	2.8%
Large General Service - Schedules 21/22	6.9%	2.8%
Extra Large General Service - Schedule 25	7.6%	3.0%
Extra Large Special Contract	7.6%	3.0%
Pumping Service - Schedules 31/32	7.0%	2.8%
Street & Area Lights - Schedules 41 - 48	7.1%	2.8%
Overall	7.4%	3.0%

Components of Avista's Request:

Investments Avista has made and is planning to make in infrastructure serve as a major basis for Avista's requested rate increases. The Company is seeking increased rates for investments that allow Avista to:

- Respond to customer requests for new service or service enhancements;
- Meet customers' expectations for quality and reliability of service;
- Meet regulatory and other mandatory obligations;
- Address system performance and capacity issues;
- Replace infrastructure at the end of its useful life based on asset condition; and
- Replace failing equipment and support field operations.

The request is based on a proposed rate of return (ROR) of 7.31% with a common equity ratio of 48.5% and a 10.25% return on equity (ROE), which would be returned to shareholders as profit. Customers pay for these returns to service debt expenses and provide the opportunity for shareholders to earn a fair return on their investment. If the Company's earnings exceed the authorized ROR, excess earnings could be split between shareholders and customers under a proposed earnings test with the customers' portion being refunded in a future time period.

Natural Gas Bill Changes

If the Commission approves Avista's requests, after incorporating the base revenue change with the proposed Residual Tax Customer Credit offset, the proposed monthly bill change for a residential customer using an average of 67 therms per month could expect to see a billed increase as follows:

- **December 21, 2022:** Increase of \$1.54, or 2.4%, for an average monthly bill increase from \$64.86 to \$66.40.
- **December 21, 2023:** Increase of \$0.75, or 1.1%, for an average monthly bill increase from \$66.40 to \$67.15.
- **December 21, 2024:** Upon expiration of the Residual Tax Customer Credit offset, increase of \$2.40 per month, or 3.6% for an average monthly bill increase from \$67.15 to \$69.55.

The current and proposed rates for residential and small commercial customers are as follows:

Year 1 Natural Gas - Proposed Schedule 101 Billing Rates:

Natural Gas Service	Current Bill Rates	Proposed Change	Proposed Bill Rates
Basic Charge	\$9.50	+\$1.50	\$11.00
First 70 therms/month	\$0.82621	+\$0.00066	\$0.82687
Over 70 therms/month	\$0.94919	+\$0.01161	\$0.96080

Year 2 Natural Gas - Proposed Schedule 101 Billing Rates:

Natural Gas Service	Current Bill Rates	Proposed Change	Proposed Bill Rates
Basic Charge	\$11.00	-	\$11.00
First 70 therms/month	\$0.82687	+\$0.01125	\$0.83812
Over 70 therms/month	\$0.96080	+\$0.01462	\$0.97542

The proposed natural gas revenue changes by service schedule, including the Residual Tax Customer Credit offset, are as follows:

Rates Schedule	Rate Year 1 Billing Change	Rate Year 2 Billing Change
General Service - Schedules 101/102	2.7%	1.2%
Large General Service - Schedules 111/112/116	1.9%	0.9%
Interruptible Sales Service - Schedules 131/132	1.7%	0.8%
Transportation Service - Schedule 146	4.4%	1.9%
Overall	2.5%	1.1%