

**Important Notice for Washington Electric Customers
June-July 2017**

Proposed Rate Adjustment Filed to be Effective Sept. 1, 2017

On May 26, 2017, Avista filed a Power Cost Rate Adjustment request with the Washington Utilities and Transportation Commission (UTC or Commission). This filing is separate from the general rate request filed with the Commission also on May 26, 2017.

The purpose of the Power Cost Rate Adjustment is to update the base level of power supply costs included in customer's electric rates. This request is made in an effort to more closely align the base rates customers are paying with Avista's costs to purchase and generate electricity for our customers. Through this filing Avista: 1) updated the three-month average of forward natural gas and electricity market prices effective Sep. 1, 2017; 2) included new short-term contracts for wholesale electricity and natural gas purchases; and 3) updated power and transmission service contracts.

We have requested an effective date of Sept. 1, 2017. If approved, annual revenues would increase by approximately \$15.0 million or 2.92 percent

Change in Rates - As a result of the filing, residential electric customers in Washington using an average of 938 kilowatt hours per month would see their monthly bills change from \$84.51 to \$87.09, an increase of \$2.58 per month, or approximately 3.1 percent. While the percentage change for electric customers does not vary by rate schedule, it will depend upon how much energy a customer uses.

If approved, customers would see the following rate adjustments:

Electric	
Residential Service - Schedules 1 & 2	2.9%
General Service - Schedules 11 & 12	2.9%
Large General Service - Schedules 21 & 22	2.9%
Extra Large General Service - Schedule 25	2.9%
Pumping Service - Schedules 31 & 32	2.9%
Street & Area Lights - Schedules 41-48	2.9%

Avista's request is a proposal, subject to public review and a Commission decision. You may contact the UTC at the following address: UTC, 1300 S. Evergreen Park Drive S.W., P.O. Box 47250, Olympia, WA 98504-7250; or by e-mail at: comments@utc.wa.gov. Copies of the application are available for public review at the offices of the Commission and the Avista, as well as on our website at www.avistautilities.com/rates.

To help customers proactively manage their energy use, Avista offers a number of energy efficiency programs, energy-saving information, rebates and incentives. Avista also provides energy assistance programs and payment options for qualifying customers. Information about these customer programs and options is available at www.avistautilities.com.

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