

**Important Notice for Washington Electric and Natural Gas Customers
June-July 2020**

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Proposed Annual Rate Adjustments Filed to lower rates Effective Aug. 1, 2020

On May 29, 2020, Avista filed its annual Decoupling rate adjustment requests with the Washington Utilities and Transportation Commission (UTC or Commission), with a requested effective date of Aug. 1, 2020. These annual filings have no impact on the company's earnings.

Decoupling is a mechanism designed to break the link between a utility's revenues and customers' energy usage. Generally, Avista's electric and natural gas revenues are adjusted each month based on the number of customers, rather than kilowatt hour and therm sales. The difference between revenues based on sales and revenues based on the number of customers is surcharged or rebated to customers beginning in the following year. For electric operations, the rate adjustment is designed to decrease revenues by \$0.8 million, or 0.2 percent. For natural gas operations, the rate adjustment is designed to decrease revenues by \$2.3 million, or 2.2 percent. These rate adjustments are driven primarily by a higher level of customer usage in 2019 due in part to a colder than normal winter. These filings do not otherwise address any changes in customer usage that has occurred in 2020; that will be addressed in filings next year.

Change in Rates - If approved by the Commission, residential electric customers in Washington using an average of 918 kilowatt hours per month would see their monthly bills change from \$82.97 to \$82.65, a decrease of \$0.32 per month, or approximately 0.4 percent. Residential natural gas customers using an average of 66 therms per month would see their monthly bills change from \$56.43 to \$55.70, a decrease of \$0.73 per month, or approximately 1.3 percent.

The percentage change for electric and natural gas customers varies by rate schedule and depends on how much energy a customer uses. Electric schedules 25 and 41-48 for electric, and Natural Gas schedule 146 are not subject to the Company's decoupling mechanism, which is why they will see no rate change.

If approved, customers would see the following rate adjustments:

Electric Rate Change

Proposed Schedule 1 Residential Rates (effective Aug. 1, 2020)

Electric Service	Current Billing Rate	Proposed Change	Proposed Billing Rates
Basic Charge	\$9.00	\$0.00	\$9.00
First 800 kWh/month	\$0.07888/kWh	-\$0.00035/kWh	\$0.07853/kWh
Next 700 kWh/month	\$0.09212/kWh	-\$0.00035/kWh	\$0.09177/kWh
Over 1,500 kWh/month	\$0.10838/kWh	-\$0.00035/kWh	\$0.10803/kWh

Proposed Electric Rate Change by Schedule (effective Aug. 1, 2020)

Schedule No.	Rate Schedule	% Change in Billed Revenue
1/2	Residential	-0.4%

11/12	General Service	0.0%
21/22	Large General Service	0.0%
25	Ex. Lg. General Service	0.0%
31/32	Pumping Service	0.0%
41-48	Street and Area Lights	0.0%
	Overall	-0.2%

Natural Gas Rate Change

Proposed Schedule 101 Rates (effective Aug. 1, 2020)

Natural Gas Service	Current Billing Rate	Proposed Change	Proposed Billing Rates
Basic Charge	\$9.50	\$0.00	\$9.50
First 70 therms/month	\$0.71111/therm	-\$0.01105/therm	\$0.70006/therm
Over 70 therms/month	\$0.83409/therm	-\$0.01105/therm	\$0.82304/therm

Proposed Natural Gas Rate Change by Schedule (effective Nov. 1, 2020)

Schedule No.	Rate Schedule	% Change Billed Revenue
101/102	General Service	-1.2%
111/112	Large General Service	-2.2%
131/132	Interruptible Sales Service	0.0%
146	Transportation Service	0.0%
Overall		-2.2%

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: UTC, 621 Woodland Square Loop, P.O. Box 47250, Lacey, WA 98503-7250, or online at: www.utc.wa.gov. Copies of the applications 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.

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