

**Important Notice for Washington Electric and Natural Gas Customers
June-July 2021**

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On May 26, 2021, Avista filed its annual decoupling rate adjustment and proposed changes to Avista’s electric energy efficiency tariffs with the Washington Utilities and Transportation Commission (UTC or Commission). These Commission-required annual filings have no impact on the company’s earnings.

Avista’s decoupling mechanism is the first rate adjustment. It’s designed to break the link between utility revenues and customer energy usage. Generally, Avista’s electric and natural gas revenues are adjusted each month based on the number of customers instead of 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. The rate adjustments are designed to decrease revenues by \$0.4 million or 0.1% for electric operations and increase revenues by \$2.4 million or 1.5% for natural gas operations. These rate adjustments are partly driven by fluctuations in the level of electric (cooling) and natural gas (heating) usage during warmer-than-usual seasons. These filings do not otherwise address any changes in customer usage that has occurred in 2021; those changes will be addressed in filings next year.

The second adjustment proposes changes to tariffs designed to fund Avista’s electric energy efficiency customer programs so that the level of customer funding aligns with the costs to deliver the programs. Each year, customers achieve significant energy savings and receive rebates and incentives through Avista’s energy efficiency programs. The Commission approves the amount of funding for these important programs through a portion of energy rates. The electric rate adjustment is designed to decrease the amount collected from customers by \$3.5 million, or 0.7%. The Company has not proposed to change the present level of natural gas funding.

Change in Rates - If these filings are approved by the Commission, residential electric customers in Washington using an average of 914 kilowatt hours/month would see their monthly bills change from \$84.33 to \$81.07, a decrease of \$3.26/month, or approximately 3.9% on August 1. Residential natural gas customers using an average of 67 therms/month would see their monthly bills change from \$57.88 to \$58.96, an increase of \$1.08/month, or approximately 1.9% on August 1. The percentage change for electric and natural gas customers varies by rate schedule and depends on how much energy a customer uses. If approved, customers would see the following rate adjustments:

Electric Rate Change

Proposed Schedule 1 Residential Rates (effective Aug. 1, 2021)

Electric Service	Current Billing Rate	Proposed Change	Proposed Billing Rates
Basic Charge	\$9.00	\$0.00	\$9.00
First 800 kWh/month	\$0.08076/kWh	(\$0.00357)/kWh	\$0.07719/kWh
Next 700 kWh/month	\$0.09400/kWh	(\$0.00357)/kWh	\$0.09043/kWh
Over 1,500 kWh/month	\$0.11026/kWh	(\$0.00357)/kWh	\$0.10669/kWh

Proposed Electric Rate Change by Schedule (effective Aug. 1, 2021)

Schedule No.	Rate Schedule	% Change in Billed Revenue
1/2	Residential	-3.7%
11/12/13	General Service	1.7%
21/22/23	Large General Service	2.6%
25	Ex. Lg. General Service	-0.4%
31/32	Pumping Service	3.0%
41-48	Street and Area Lights	-0.7%
Overall		-0.8%

Natural Gas Rate Change**Proposed Schedule 101 Rates (effective Aug. 1, 2021)**

Natural Gas Service	Current Billing Rate	Proposed Change August 1, 2021	Proposed Billing Rates
Basic Charge	\$9.50	\$0.00	\$9.50
First 70 therms/month	\$0.72215/therm	\$0.01610/therm	\$0.73825/therm
Over 70 therms/month	\$0.84513/therm	\$0.01610/therm	\$0.86123/therm

Proposed Natural Gas Rate Increase by Schedule (effective Aug. 1, 2021)

Schedule No.	Rate Schedule	% Change in Billed Revenue
101/102	General Service	1.8%
111/112	Large General Service	0.7%
131/132	Interruptible Sales Service	0.0%
146	Transportation Service	0.0%
Overall		1.5%

The Company's request is a proposal, 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, P.O. Box 47250, Olympia, WA 98504-7250, or online at: www.utc.wa.gov. Copies of the applications are available for public review on the Commission website.

Copies of our filings are available for public review at www.myavista.com/rates or on the Commission website at www.utc.wa.gov. You can also submit written questions directly to the Company via mail at: 1411 E Mission Ave, C/O Regulatory Affairs, Spokane, WA 99202.

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