

## Bill Assistance & Payment Options

**Payment Arrangements** can be made on an individual basis to those in need. Customers may qualify for a special payment arrangement—and with an online account, these can even be made online.

**Comfort Level Billing** can help smooth out the seasonal highs and lows of energy bills by dividing yearly usage into 12 equal monthly payments. To qualify, the account must be in good standing with at least 12 months of payment history.

**Preferred Due Date** can help align the billing due date with payday. Avista may be able to adjust the payment due date, depending on account status and specific situation.

**Energy Assistance** Grants, such as Project Share, are available for limited-income and low-income customers. These funds are distributed to qualifying customers through local community agencies.

**One of the most important steps in receiving assistance is letting an Avista customer service representative know that help is needed.**

To find out more, go to [avistautilities.com/billassistance](http://avistautilities.com/billassistance) or call **1-800-227-9187**

## Energy Efficiency

Avista offers energy efficiency programs, rebates and tips to help you reduce your use.

To learn more, visit us at [everylittlebit.com](http://everylittlebit.com)



## How Can You Participate in the Rate Case Process?

The UTC will conduct Public Hearings and take comments from the public at the following:

### November 8, 2011

Spokane Valley, Council Chambers  
11707 E. Sprague Avenue, Spokane Valley, WA - 12:00 noon – 1:30pm  
(Free Parking)

Spokane, Council Chambers  
808 W. Spokane Falls Blvd, Spokane, WA 99201 - 6:00pm – 7:30pm  
(Paid parking available adjacent to the city council (i.e., parking meters, parking lots, parking garage))

### November 9, 2011

Pullman, City Council Chambers  
325 SE Paradise St., Pullman - 12:00 noon – 1:30pm  
(Limited free street and lot parking nearby; two hour time limits may apply)

For more information, go to [www.utc.wa.gov](http://www.utc.wa.gov). If you write, please include your name and mailing address, the name of the company (Avista), and Docket UE-110876/UG-110877. If you are unable to attend, you may still share your comments.

You may contact the UTC with questions or to share your comments several ways.

#### Write to:

WA UTC / P.O. Box 47250  
Olympia, WA, 98504-7250

#### By e-mail at:

[comments@utc.wa.gov](mailto:comments@utc.wa.gov)

#### By phone at:

(888) 333-WUTC(9882)

#### UTC online comment form:

[www.utc.wa.gov/comment](http://www.utc.wa.gov/comment)

#### By fax at:

360-586-1150

## Commission Investigation

The UTC is conducting an investigation and will hold hearings to examine the requested increase(s). The UTC has the authority to set final rates that may be different from the requested increase(s) based on the results of the investigation. The UTC can take up to eleven months to review the filing and will issue its ruling on or before April 16, 2011.

For more information about the proposed rate increase, conservation tips and energy efficiency programs, energy assistance programs and bill payment plans, visit us at [www.avistautilities.com](http://www.avistautilities.com) or contact us at (800) 227-9187.

The public is represented by the Public Counsel Section of the Washington State Attorney General's Office. You can contact them via the web at [www.atg.wa.gov/utilities.aspx](http://www.atg.wa.gov/utilities.aspx), or by email at [utility@atg.wa.gov](mailto:utility@atg.wa.gov).

### Avista Utilities

PO BOX 3727 • 1411 E. MISSION  
SPOKANE, WA 99220

# NOTICE OF REQUEST FOR RATE INCREASE

SEPTEMBER/OCTOBER 2011



## Public hearings to be held in Spokane, Spokane Valley and Pullman on Avista's Proposed Electric & Natural Gas Rate Increases

On May 16, 2011, Avista filed with the Washington Utilities and Transportation Commission (UTC) a request to increase electric and natural gas rates. The requests would increase electric rates billed to customers by an average 8.7 percent or \$38.3 million annually and \$6.2 million, or 4.0 percent in additional billed revenue for natural gas service. The request to increase electric rates reflects increased costs in its infrastructure to ensure reliability and meet customer demand by systematically replacing aging equipment, including power lines, poles, substations, transformers and related equipment for its transmission and distribution systems, in addition to upgrading generation-related facilities.

National compliance requirements also drive Avista's need for continued investment in its transmission system.

Also included in the Company's request is recovery of costs related to the two remaining 1950s-era turbines at Avista's Noxon Rapids hydroelectric project that will increase the amount of clean, renewable power available to serve customers. In addition, the Company has requested the recovery of \$4 million of lost revenue due to its energy efficiency programs. The major driver in the requested natural gas increase is to recover the cost of a portion of the natural gas stored in the Jackson Prairie Storage facility. The addition of the underground storage capacity in 2011 will allow Avista to purchase and store natural gas during the months when market prices are generally lower and use the natural gas to serve customers during winter months when market prices tend to be higher.

Changes in the cost of natural gas used by customers are not reflected in this filing – changes in the cost of natural gas are directly passed through to customers in an annual Purchased Gas Adjustment in the fall of each year. The differences in the proposed increase for each customer class / rate schedule are designed to more closely align the proposed rates with the actual cost to provide service to each customer class.

## Proposed Electric Rate Increase

The average proposed net electric increase by customer class and rate schedule are as follows:

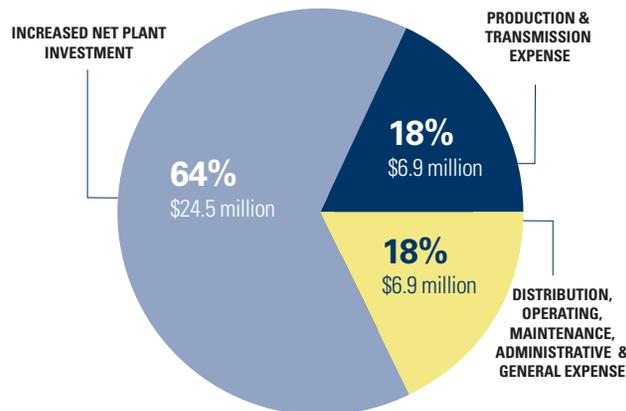
|                                      | SCHED. NO. | PROP. CHANGE |
|--------------------------------------|------------|--------------|
| <b>Residential Schedule</b>          | <b>1</b>   | <b>9.1 %</b> |
| General Service Schedule             | 11/12      | 8.4 %        |
| Large General Service Schedule       | 21/22      | 8.7 %        |
| Extra Large General Service Schedule | 25         | 7.5 %        |
| Pumping Service Schedule             | 31/32      | 9.1 %        |
| Street & Area Lights                 | 41 - 48    | 8.6 %        |

**Proposed Overall Electric Increase 8.7%**

The proposed monthly increase for a residential customer using an average of 977 kilowatt-hours (kWhs) per month is \$7.13, or 9.3%. The proposed increase includes an increase of \$3.00 in the monthly Basic Charge. The present bill for 977 kWhs is \$77.01 and the bill with the proposed increase would be \$84.14. The present and proposed rates for Residential Service are as follows:

|                       | PRESENT BILLED RATE | PROPOSED NET INCREASE | PROPOSED RATES |
|-----------------------|---------------------|-----------------------|----------------|
| Basic Charge          | \$6.00              | \$3.00                | \$9.00         |
| 1st 600 kwhs/month    | \$0.06850           | \$0.00398             | \$0.07248      |
| Next 700 kwhs/month   | \$0.07933           | \$0.00463             | \$0.08396      |
| Over 1,300 kwhs/month | \$0.09260           | \$0.00542             | \$0.09802      |

## COMPONENTS OF ELECTRIC RATE FILING



Includes return on investment of \$6.2 M, depreciation and taxes, offset by the tax benefit of interest

## Proposed Natural Gas Rate Increase

The average proposed natural gas increase by customer class and rate schedule are as follows:

|   | SCHED. NO. | PROP. CHANGE |
|---|------------|--------------|
| <b>General Service Schedule</b>           | <b>101</b> | <b>5.1 %</b> |
| Large General Service Schedule            | 111/112    | 1.1%         |
| Lg. Gen. Svc. – High Load Factor Schedule | 121/122    | 1.5%         |
| Interruptible Sales Service Schedule      | 131/132    | 1.9%         |
| *Transportation Service Schedule          | 146        | 4.4%         |

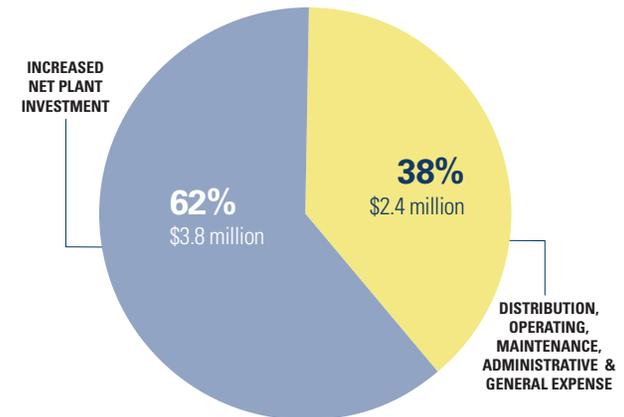
**Proposed Overall Natural Gas Increase 4.0%**

\*Increase does not include wholesale natural gas costs which are procured directly by these customers.

The proposed monthly increase for a residential customer using an average of 67 therms per month is \$3.26, or 5.1%. The proposed increase includes an increase of \$3.00 in the monthly Basic Charge. The present bill for 67 therms is \$63.45 and the bill with the proposed increase would be \$66.71. The present and proposed rates for residential and small commercial customers is as follows:

|               | PRESENT BILLED RATE | PROPOSED NET INCREASE | PROPOSED RATES |
|---------------|---------------------|-----------------------|----------------|
| Basic Charge: | \$6.00              | \$3.00                | \$9.00         |
| Usage Charge: | \$0.85739           | \$0.00393             | \$0.86132      |

## COMPONENTS OF NATURAL GAS RATE FILING



Includes return on investment of \$1.1 M, depreciation and taxes, offset by the tax benefit of interest.

(The charts provided represent the approximate breakdown of revenue requirement for the major cost categories.)