

# **AVISTA UTILITIES**

2017 Washington PGA Filing

December Commodity WACOG Update

**ATTACHMENT “A”**

Media Notice

December 22, 2017



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## **Avista requests lower natural gas prices for Washington and Idaho customers**

*Declining wholesale prices to benefit customers this winter*

**SPOKANE, Wash. Dec., 22 2017, 1:05 p.m. PST:** Avista (**NYSE: AVA**) today filed Purchased Gas Cost Adjustment (PGA) requests with the utility commissions in Washington and Idaho to reduce overall natural gas prices by 7.1 percent and 7.4 percent respectively, to be effective Jan. 26, 2018, if approved.

Given the continued decline in wholesale natural gas prices, Avista is proposing to decrease the natural gas rates customers pay to better reflect current market prices for natural gas.

“We know our customers see higher bills as the weather gets colder, and we want to pass these price decreases on to them as quickly as we can,” said Dennis Vermillion, president of Avista. “The decline in wholesale natural gas prices allows us to decrease customer energy bills during the winter months, when it matters most.”

### **Customer Bills**

**Washington:** If approved by the Washington Utilities and Transportation Commission (WUTC), residential natural gas customers in Washington using an average of 54 therms per month would see a \$3.05, or 6.3 percent, decrease per month, for a revised monthly bill of \$45.39.

If approved, customers would see the following rate adjustments:

#### **Natural Gas**

General Service - Schedule 101	- 6.5%
Large General Service - Schedule 111	- 9.6%
Ex. Large General Service - Schedule 121	- 10.6%
Interruptible Sales Service - Schedule 132	- 31.9%
Transportation Service - Schedule 146	<u>0.0%</u>
Overall	- 7.1%

**Idaho:** If approved by the Idaho Public Utilities Commission (IPUC), residential natural gas customers in Idaho using an average of 49 therms per month would see a \$2.73, or 6.4 percent, decrease per month, for a revised monthly bill of \$39.91.

If approved, customers would see the following rate adjustments:

### **Natural Gas**

General Service - Schedule 101	-6.7%
Large General Service - Schedule 111	<u>-10.3%</u>
Overall	-7.4%

The percentage change varies by rate schedule and is dependent upon how much energy customers on the respective rate schedules use.

### **Purchased Gas Cost Adjustment (PGA)**

Purchased Gas Cost Adjustments (PGAs) are filed each year, usually in the fall, to balance the actual cost of wholesale natural gas purchased by Avista to serve customers with the amount included in rates. This includes the natural gas commodity cost as well as the cost to transport natural gas on interstate pipelines to Avista's local distribution system. Avista filed its annual PGAs earlier this year, which were annual decreases in Washington and Idaho of 5.2 percent and 2.7 percent, respectively. Those decreases were approved by the WUTC and IPUC beginning on Nov. 1, 2017.

The primary drivers for the earlier rate reduction included continued low natural gas commodity costs due to the continued high production levels of natural gas and an abundance of natural gas in storage, which resulted in a decrease in wholesale natural gas prices. These factors have continued to put downward pressure on natural gas prices.

If approved, Avista's request is designed to decrease natural gas revenues by \$7.3 million in Washington and \$3.2 in Idaho.

About 40 percent of an Avista natural gas customer's bill is the combined cost of purchasing natural gas on the wholesale market and transporting it to Avista's system. These costs fluctuate up and down based on market prices. The costs are not marked up by Avista. The remaining 60 percent covers the cost of delivering the natural gas -- the equipment and people needed to provide safe and reliable service.

These filings have no impact on Avista's earnings, and are not related to the proposed acquisition of Avista by Hydro One.

Avista's rate applications are proposals, subject to public review and a decision by the WUTC and the IPUC. Copies of the applications are available for public review at the offices of the WUTC and the IPUC, as well as at Avista, and they are available on the [WUTC's website](http://utc.wa.gov) at [utc.wa.gov](http://utc.wa.gov) and the [IPUC's website](http://puc.idaho.gov) at [puc.idaho.gov](http://puc.idaho.gov). Customers may file with the WUTC or IPUC written comments related to Avista's filings. In Idaho, customers may also subscribe to the IPUC's RSS feed (<http://www.puc.idaho.gov/rssfeeds/rss.htm>) to receive periodic updates via e-mail about the case. Copies of rate filings are also available on Avista's website at [www.myavista.com/rates](http://www.myavista.com/rates).

### **About Avista Corp.**

Avista Corp. is an energy company involved in the production, transmission and distribution of energy as well as other energy-related businesses. [Avista Utilities](#) is our operating division that provides electric service to 379,000 customers and natural gas to 343,000 customers. Its service territory covers 30,000 square miles in eastern Washington, northern Idaho and parts of southern and eastern Oregon, with a population of 1.6 million. Alaska Energy and Resources



Company is an Avista subsidiary that provides retail electric service in the city and borough of Juneau, Alaska, through its subsidiary [Alaska Electric Light and Power Company](#). Avista stock is traded under the ticker symbol "AVA." For more information about Avista, please visit [www.avistacorp.com](http://www.avistacorp.com).

This news release contains forward-looking statements regarding the company's current expectations. Forward-looking statements are all statements other than historical facts. Such statements speak only as of the date of the news release and are subject to a variety of risks and uncertainties, many of which are beyond the company's control, which could cause actual results to differ materially from the expectations. These risks and uncertainties include, in addition to those discussed herein, all of the factors discussed in the company's Annual Report on Form 10-K for the year ended Dec. 31, 2016 and the Quarterly Report on Form 10-Q for the quarter ended Sept. 30, 2017.

SOURCE: Avista Corporation

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