Important Notice for Washington Electric Customers May 2018

On March 28, 2018 Avista filed a request with the Washington Utilities and Transportation Commission (Commission) to increase electric rates to qualifying customers effective July 1, 2018. The request reflects a rate adjustment to increase the present rebate customers are receiving related to Renewable Energy Credits ("RECs").

Currently, Avista is rebating to customers approximately \$3.3 million. That rebate expires June 30, 2018. In the present filing, Avista is proposing to adjust the REC Revenue rebate to reflect a slight under-rebate of the current rebate as well as the projected net REC revenues for the July 2018 – June 2019 time period. That amount is \$2.0 million. The net effect of the new and expiring REC rebate is an increase in revenue of approximately \$1.3 million, or 0.30%. The change in the rate credit has no effect on Avista's net income.

Change in Rates - The average residential customer using 938 kWhs per month will see a increase of \$0.22 per month, or approximately 0.3%. The present bill for 938 kWhs is \$86.58 while the proposed bill is \$86.80. The actual increase will vary based on customer usage. The percentage change for electric customers varies by rate schedule and depends on how much energy a customer uses. If approved, customers would see the following rate adjustments:

Proposed Schedule 1 Residential Rates:

Electric Service		Current Bill		Proposed		Proposed Bill	
		Rate		Increase		Rates	
Basic Charge	\$	8.50	\$	-	\$	8.50	
First 800 Kwh/Month	\$	0.08146	\$	0.00023	\$	0.08169	
Next 700 Kwh/Month	\$	0.09354	\$	0.00023	\$	0.09377	
Over 1, 500 Kwh/Month	\$	0.10836	\$	0.00023	\$	0.10859	

Proposed Rate Income by Schedule:

Schedule	Rate Schedule	Increase in		
No.	Rate Scriedule	Billed Revenue		
1/2	Residential	0.2%		
11/12	General Service Schedule	0.2%		
21/22	Large General Service Schedule	0.2%		
25	Ext. Lg General Service Schedule	0.4%		
31/32	Pumping Service Schedule	0.3%		
41-48	Street and Area Lights Schedule	0.0%		
	Overall	0.3%		

For more information and or questions about the proposed rate changes, conservation tips and energy efficiency programs, energy assistance programs and bill payment plans, visit us at www.myavista.com or contact us at 1-800-227-9187.

The Company's requests are proposals, subject to public review and a Commission decision. Commission has the authority to set final rates. 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, 1300 S. Evergreen Park Drive S.W., 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, 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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