

**Important Notice for Washington Electric and Natural Gas Customers
August-September 2021**

On August 31, 2021, Avista filed its annual Bonneville Power Administration (BPA) Residential Exchange Program and Purchased Gas Cost Adjustment filings with the Washington Utilities and Transportation Commission (UTC or Commission). If approved, new rates would take effect Nov. 1, 2021. These annual filings have no impact on the Company’s earnings.

The first rate adjustment, the BPA Residential Exchange Program, provides a share of the benefits of the federal Columbia River power system to the residential and small farm customers of the investor-owned utilities in the Pacific Northwest, including Avista. Avista applies the benefits it receives to qualifying customers as a credit in their monthly electric rates, but the benefits fluctuate year to year. The benefit Avista will receive from BPA starting in Oct. 2021 is higher than what is currently being passed through to customers. As a result, the proposed revenue decrease for these customers is approximately \$0.8 million, or 0.1%.

The second rate adjustment is Avista’s Purchased Gas Cost Adjustment (PGA). PGAs are filed each year 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. The proposed rate increase is primarily due to an increase in wholesale natural gas costs above the level presently included in rates. If approved, Avista’s request is designed to increase natural gas revenues by \$17.5 million or 10.6%.

Change in Rates - If approved by the Commission, residential electric customers in Washington using an average of 914 kilowatt hours/month would see their monthly bills change from \$81.22 to \$80.94, a decrease of \$0.28/month, or approximately 0.3%. Residential natural gas customers in Washington using an average of 66 therms per month would see their monthly bills change from \$58.23 to \$64.04, an increase of \$5.81 per month, or approximately 10.0%.

The percentage change 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 Nov. 1, 2021)

| Electric Service | Current Billing Rate | Proposed Change | Proposed Billing Rates |
|-----------------------|----------------------|-----------------|------------------------|
| Basic Charge | \$9.00 | \$0.00 | \$9.00 |
| First 800 kWhs/month | \$0.07736/kWh | (\$0.00031)/kWh | \$0.07705/kWh |
| Next 700 kWhs/month | \$0.09060/kWh | (\$0.00031)/kWh | \$0.09029/kWh |
| Over 1,500 kWhs/month | \$0.11053/kWh | (\$0.00031)/kWh | \$0.11022/kWh |

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

| Schedule No. | Rate Schedule | % Change in Billed Revenue |
|--------------|-----------------------|----------------------------|
| 1/2 | Residential | (0.3%) |
| 11/12/13 | General Service | 0.0% |
| 21/22/23 | 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 | | (0.1%) |

Natural Gas Rate Change

Proposed Schedule 101 Rates (effective Nov. 1, 2021)

| Natural Gas Service | Current Billing Rate | Proposed Change | Proposed Billing Rates |
|-----------------------|----------------------|-----------------|------------------------|
| Basic Charge | \$9.50 | \$0.00 | \$9.50 |
| First 70 therms/month | \$0.73825/therm | \$0.08796/therm | \$0.82621/therm |
| Over 70 therms/month | \$0.86123/therm | \$0.08796/therm | \$0.94919/therm |

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

| Schedule No. | Rate Schedule | % Increase Billed Revenue |
|----------------|-----------------------------|---------------------------|
| 101/102 | General Service | 9.6% |
| 111/112 | Large General Service | 15.5% |
| 131/132 | Interruptible Sales Service | 11.8% |
| 146 | Transportation Service | 0.0% |
| Overall | | 10.6% |

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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