

AVISTA UTILITIES

2023 Washington PGA Filing

ATTACHMENT “B”

Notice of Public Applicant’s Proposed Tariffs

September 1, 2023

Important Notice for Washington Electric and Natural Gas Customers September-October 2023

On September 1, 2023, Avista filed its annual Bonneville Power Administration (BPA) Residential Exchange Program, Wildfire Expense Balancing Account, Insurance Expense Balancing Account, Low Income Rate Assistance Program (LIRAP) 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, 2023

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. Due to fluctuations in usage, Avista rebated to customers a level of benefits that was higher than the level of benefits received from BPA. Through this filing Avista is seeking to slightly decrease the level of benefits provided to qualifying customers in order to recover the over-rebated balance. As a result, the proposed revenue increase for these customers is approximately \$1.1 million, or 0.2%.

The second, Wildfire Expense Balancing Account, tracks the difference in wildfire expenses incurred by Avista to address the growing frequency of extreme and dangerous wildfires in Avista's service territory to the base expense approved by the Commission. The difference is rebated to or collected from customers through Schedule 88 – Wildfire Expense Balancing Account. The rate increase proposed reflects the higher level of expense incurred above the approved amount. If approved, Avista's request is designed to increase electric revenues by \$3.3 million or 0.6%.

The third, Insurance Expense Balancing Account, tracks the difference in insurance expenses incurred by Avista to the base expense approved by the Commission. The difference is rebated to or collected from customers through Schedule 66 – Insurance Expense Balancing Account for electric customers and Schedule 166 – Insurance Expense Balancing Account for natural gas customers. The rate change proposed reflects the higher level of expense incurred above the approved amount for electric customer and a lower level of expense for natural gas customers. If approved, Avista's request is designed to increase electric revenues by \$87 thousand or 0.0% and decrease natural gas revenues by \$10 thousand or 0.0%.

The fourth is related to Avista's Low Income Rate Assistance Program (LIRAP), which provides bill assistance to income eligible customers with a household income less than or equal to 200% Federal Poverty Level (FPL) or 80% Area Median Income (AMI), whichever is greater. This rate increase is necessary to support the introduction of an income-based bill discount – which will replace the prior grant-based LIRAP, effective October 1, 2023 – as well as offerings intended to help customers manage their past due balances, or arrearages. This new bill assistance model will expand LIRAP to serve more customers than ever before, therefore requiring increased funding to do so. If approved, Avista's request is designed to increase electric revenues by \$7.6 million or 1.3% and increase natural gas revenues by \$4.6 million or 1.7%.

The fifth 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 change is primarily due to lower forward wholesale natural gas prices than those currently included in rates and a reduction in the current surcharge amortization rate in effect. These reductions were partially offset by increased wholesale natural gas costs during the past year, which were higher than the amount collected through rates. If approved, Avista's request is designed to decrease natural gas revenues by \$8.1 million or 3.0%.

Change in Rates - If approved by the Commission, residential electric customers in Washington using an average of 932 kilowatt hours/month would see their monthly bills change from \$87.53 to \$89.88, an increase of \$2.35/month, or approximately 2.7%. Residential natural gas customers in Washington using an average of 67 therms per month would see their monthly bills change from \$96.78 to \$92.13, a decrease of \$4.65 per month, or approximately 4.8%, when compared to rates currently in effect.

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, 2023)

Electric Service	Current Billing Rate	Proposed Change	Proposed Billing Rates
Basic Charge	\$9.00	\$0.00	\$9.00
First 800 kWh/month	\$0.08216/kWh	\$0.00252/kWh	\$0.08468/kWh
Next 700 kWh/month	\$0.09697/kWh	\$0.00252/kWh	\$0.09949/kWh
Over 1,500 kWh/month	\$0.11518/kWh	\$0.00252/kWh	\$0.11770/kWh

Proposed Electric Rate Change by Schedule (effective Nov. 1, 2023)

Schedule No.	Rate Schedule	% Change in Billed Revenue
1/2	Residential	2.6%
11/12/13	General Service	1.6%
21/22/23	Large General Service	1.8%
25/25I	Ex. Lg. General Service	1.3%
31/32	Pumping Service	2.7%
41-48	Street and Area Lights	2.4%
Overall		2.1%

Natural Gas Rate Change

Proposed Schedule 101 Rates (effective Nov. 1, 2023)

Natural Gas Service	Current Billing Rate	Proposed Change	Proposed Billing Rates
Basic Charge	\$9.50	\$0.00	\$9.50
First 70 therms/month	\$1.30274/therm	(\$0.06940)/therm	\$1.23334/therm
Over 70 therms/month	\$1.43736/therm	(\$0.06940)/therm	\$1.36796/therm

Proposed Natural Gas Rate Change by Schedule (effective Nov. 1, 2023)

Schedule No.	Rate Schedule	% Change in Billed Revenue
101/102	General Service	-4.5%
111/112	Large General Service	10.2%
131/132	Interruptible Sales Service	-18.9%
146	Transportation Service	-0.1%
Overall		-1.3%

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.

Avista offers a number of programs and services to help customers manage their energy use and costs. Visit www.myavista.com or call 1-800-227-9187 for information on these programs which include Comfort Level Billing, bill payment options, automated payment service, assistance programs, conservation tips, and energy efficiency rebates. 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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