

Important Notice for Washington Natural Gas Customers January 2024

On December 22, 2023, Avista filed its first Climate Commitment Act (CCA) cost recovery tariff with the Washington Utilities and Transportation Commission (UTC or Commission). If approved, new rates would take effect March 1, 2024.

The CCA, passed by the Washington State legislature and enacted into law in 2021, implements a cap-and-invest program designed to meet emission reduction targets and reduce emissions by 95% of 1990 levels by 2050. Natural gas utilities must meet declining targets for greenhouse gas emissions (GHG) as compared to a baseline, which is the average emissions from 2015-2019. Beginning in 2023, natural gas utilities received no-cost emissions allowances to cover a portion of their GHG baseline, which 65% of the no-cost allowances had to be consigned to allowance auctions held by the Department of Ecology. Consignment of no-cost allowances to auction resulted in revenues back to the utility, which shall be used for the benefit of customers as determined by the Commission, including at minimum, eliminating any additional cost burden to low-income customers due to the implementation of the CCA. Locations connected to the natural gas system after July 25, 2021, are not eligible to receive any benefit from these revenues, per state law, hence the larger increases shown below.

If approved, Avista's request is designed to increase natural gas revenues by \$11.2 million or 4.1%.

Change in Rates - If approved by the Commission, residential natural gas customers using 64 therms per month in Washington who were connected to the system on or before July 25, 2021, would see their monthly bills change from \$92.28 to \$95.55, an increase of \$3.27 per month, or approximately 3.5%. Residential natural gas customers using 64 therms per month in Washington who were connected to the system after July 25, 2021, would see their monthly bills change from \$92.28 to \$107.04, an increase of \$14.76 per month, or approximately 16.0%. Low-income residential customers would see no impact from this request.

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:

Natural Gas Rate Change

Proposed Natural Gas Rate Change by Schedule (effective March 1, 2024)

<u>Schedule No.</u>	<u>Rate Schedule</u>	Total Net Monthly Bill Amount	% Change in Billed Revenue
101	Low-Income Residential	\$0.00	0.0%
101	General Service, connected to system on or before July 25, 2021	\$3.27	3.5%
101	General Service, connected to system after July 25, 2021	\$14.76	15.8%
111	Large General Service, connected to system on or before July 25, 2021 (Mar - Sep)	\$47.30	4.4%
111	Large General Service, connected to system on or before July 25, 2021 (Oct - Feb)	\$123.15	
111	Large General Service, connected to system after July 25, 2021	\$337.68	18.6%
112/116	Large General Service, connected to system after July 25, 2021	\$2,658.39	23.5%
131/132	Interruptible Service, connected to system on or before July 25, 2021	\$2,808.40	7.9%

146	Transport Service, connected to system on or before July 25, 2021	\$3,277.92	38.3%
146	Transport Service, connected to system after July 25, 2021	\$7,566.66	102.2%

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 such as My Energy Discount, 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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