

## Bill Assistance & Payment Options

**Payment Arrangements** can be made on an individual basis to those in need. Customers may qualify for a special payment arrangement—and can even be made online with an online account.

**Comfort Level Billing** can help smooth out the seasonal highs and lows of energy bills by dividing yearly usage into 12 equal monthly payments. To qualify, the account must be in good standing with at least 12 months of payment history.

**Preferred Due Date** can help align the billing due date with payday. Avista may be able to adjust the payment due date, depending on account status and specific situation.

**Energy Assistance** Grants, such as Project Share, are available for limited-income and low-income customers. These funds are distributed to qualifying customers through local community agencies.

**One of the most important steps in receiving assistance is letting an Avista customer service representative know that help is needed.**

To find out more, go to  
**avistautilities.com/billassistance**  
or call  
**1-800-227-9187**

## Energy Efficiency

Avista offers energy efficiency programs, rebates and tips to help you reduce your use.

To learn more, visit us at  
**everylittlebit.com**



## How Can You Participate in the Rate Case Process?

The UTC will conduct Public Hearings and take comments from the public at the following:

### Public hearing dates and locations

September 27, 2012 6:00 p.m.-7:30 p.m.	September 28, 2012 12:00 p.m.-1:30 p.m.
Spokane Council Chambers 808 W. Spokane Falls Blvd. Spokane, WA <i>Paid parking available adjacent to the city council (i.e., parking meters, parking lots, parking garage)</i>	Spokane Valley Council Chambers 11707 E. Sprague Avenue, Spokane Valley, WA <i>(Free parking)</i>

For more information, go to [www.utc.wa.gov](http://www.utc.wa.gov). If you write, please include your name and mailing address, the name of the company (Avista), and Dockets UE-120436/UG-120437. If you are unable to attend, you may still share your comments.

You may contact the UTC with questions or to share your comments several ways.

#### Write to:

WA UTC / P.O. Box 47250  
Olympia, WA, 98504-7250

#### By e-mail at:

comments@utc.wa.gov

#### By phone at:

(888) 333-WUTC (9882)

#### UTC online comment form:

[www.utc.wa.gov/comment](http://www.utc.wa.gov/comment)

#### By fax at:

360-586-1150

## Commission Investigation

The UTC is conducting an investigation and will hold hearings to examine the requested increase(s). The UTC has the authority to set final rates that may be different from the requested increase(s) based on the results of the investigation. The UTC can take up to eleven months to review the filing and will issue its ruling on or before March 2, 2013.

For more information about the proposed rate increase, conservation tips and energy efficiency programs, energy assistance programs and bill payment plans, visit us at [www.avistautilities.com](http://www.avistautilities.com) or contact us at (800) 227-9187.

The public is represented by the Public Counsel Section of the Washington State Attorney General's Office. You can contact them via the web at [www.atg.wa.gov/utilities.aspx](http://www.atg.wa.gov/utilities.aspx), or by email at [utility@atg.wa.gov](mailto:utility@atg.wa.gov).

### Avista Utilities

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# NOTICE OF REQUEST FOR RATE INCREASE

AUGUST/SEPTEMBER 2012



## Avista Files Request to Increase Electric and Natural Gas Rates in Washington

*Company Seeks Recovery of Costs Associated with Capital Investments, Delivering Energy to Consumers*

On April 2, 2012, Avista filed its general rate request with the Washington Utilities and Transportation Commission (UTC or Commission), seeking recovery of costs associated with capital investments and operations and maintenance expenses. The UTC has up to 11 months to review the filings and issue a decision.

For electric service, Avista proposed an overall billed rate increase of 8.8 percent to produce \$41 million in additional electric revenue. The Company is also proposing a one-year Energy Recovery Mechanism ("ERM") bill decrease (rebate to customers) of 2.9 percent, or \$13.6 million. The overall net increase, with the impact of the ERM, is 5.9 percent. The ERM allows Avista to surcharge or refund to customers a portion of actual power supply costs that are above or below the costs included in customer rates. The request to increase electric rates is driven by capital investments required to assure the ongoing delivery of reliable energy, along with rising operations and maintenance costs. In addition, Avista has asked the Commission to address the delay between the time costs are incurred and when customers' rates are reviewed and approved by the Commission.

During our last rate case, the NW Energy Coalition advocated that a decoupling mechanism be implemented for Avista's electric operations to address the change in revenues related to energy efficiency. This issue was still outstanding when the current rate case was filed, and the Commission has now consolidated that issue with this case.

For natural gas service, Avista proposed an overall billed rate increase of \$10.1 million in natural gas revenue, or 6.8 percent. The request to increase natural gas rates reflects an increase in the costs to operate and maintain Avista's natural gas distribution system. Changes in the cost of natural gas used by customers are not reflected in this filing – changes in the cost of natural gas are directly passed through to customers in an annual Purchased Gas Adjustment in the fall of each year.

The electric and natural gas filings reflect a proposed rate of return on rate base of 8.25 percent with a common equity ratio of 48.4 percent and a 10.9 percent return on equity.

## Proposed Electric Rate Increase by Schedule

Sched No.	Rate Schedule	% Increase w/out ERM Rebate	% Increase w/ ERM Rebate*
1	Residential Schedule	9.0%	6.0%
11/12	General Service Schedule	8.6%	5.8%
21/22	Large General Service Schedule	8.6%	5.8%
25	Extra Large General Service Sch.	8.6%	5.8%
31/32	Pumping Service Schedule	8.6%	5.8%
41-48	Street & Area Lights Schedules	8.6%	5.8%
	<b>Overall</b>	<b>8.8%</b>	<b>5.9%</b>

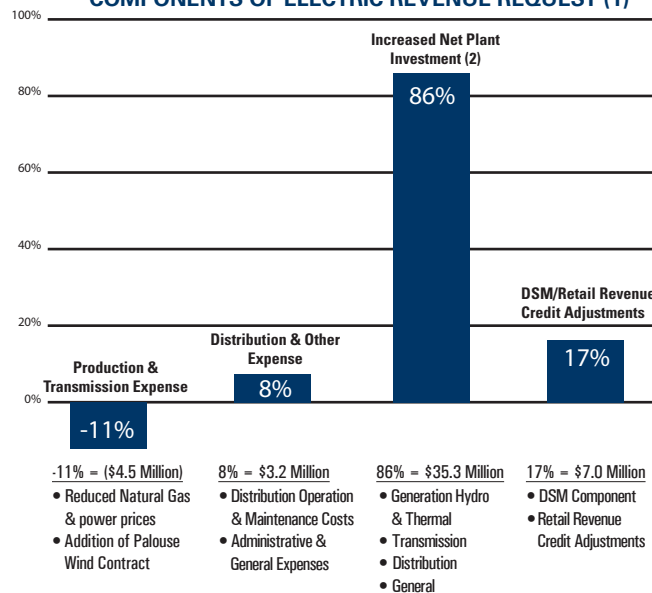
\* ERM bill decrease would expire after one year.

The proposed monthly increase for a residential customer using an average of 989 kilowatt hours ("kWhs") per month is \$4.94 or 6.3%, inclusive of the proposed ERM rebate. The proposed increase includes an increase of \$4.00 in the monthly Basic Charge. The Basic Charge covers costs related to meters, service drops, meter reading and billing, among other things. The current bill for customers using an average of 989 kWhs per month is \$78.97 and the bills with the proposed increase would be \$83.91. The current and proposed rates for Residential Service are as follows:

Electric Service	Current Bill Rate	Proposed Increase	Proposed ERM Rebate*	Proposed Net Billing Rates
Basic Charge	\$6.00	\$4.00	\$0.00	\$10.00
First 600 kWhs/month	\$0.06933	\$0.00343	<\$0.00247>	\$0.07029
Next 700 kWhs/month	\$0.08063	\$0.00343	<\$0.00247>	\$0.08159
Over 1,300 kWhs/month	\$0.09448	\$0.00343	<\$0.00247>	\$0.09544

\* ERM bill decrease would expire after one year.

### COMPONENTS OF ELECTRIC REVENUE REQUEST (1)



(1) The chart above represents the approximate breakdown of revenue requirements for the major cost categories.

(2) This includes return on investment, depreciation and taxes, and offset by the tax benefit of interest.

## Proposed Natural Gas Rate Increase by Schedule

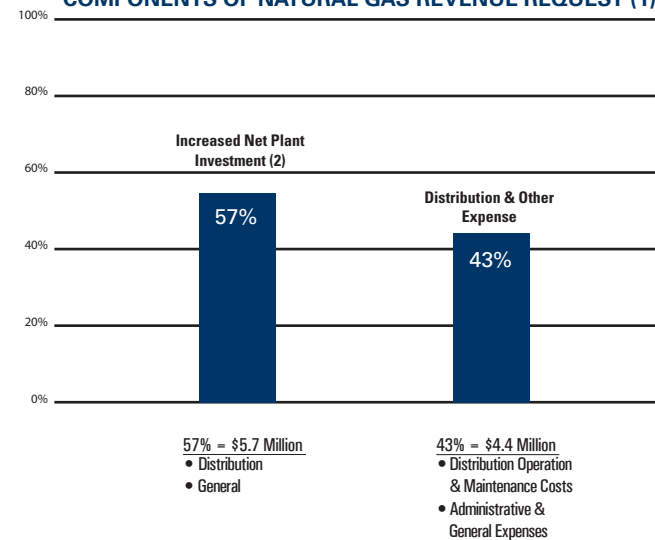
Sched No.	Rate Schedule	% Increase Billed Revenue
101	General Service Schedule	6.9%
111/112	Large General Service Schedule	6.9%
121/122	Extra Large General Service Schedule	6.8%
131/132	Interruptible Sales Service Schedule	6.6%
146	*Transportation Service Schedule	7.0%
	<b>Overall</b>	<b>6.8%</b>

\* Increase does not include wholesale natural gas costs which are procured directly by transportation customers.

The proposed monthly increase for a residential customer using an average of 68 therms per month is \$4.23 or 6.9%. The proposed increase includes an increase of \$4.00 in the monthly Basic Charge. The Basic Charge covers costs related to meters, service drops, meter reading and billing, among other things. The current bill for customers using an average of 68 therms per month is \$61.55 and the bills with the proposed increase would be \$65.78. The current and proposed rates for Residential and Small Commercial customers are as follows:

Natural Gas Service	Current Bill	Proposed Increase	Proposed Billing Rates
Basic Charge	\$6.00	\$4.00	\$10.00
Therm charge for all therms	\$0.81690	\$0.00337	\$0.82027

### COMPONENTS OF NATURAL GAS REVENUE REQUEST (1)



(1) The chart above represents the approximate breakdown of revenue requirements for the major cost categories.

(2) This includes return on investment, depreciation and taxes, and offset by the tax benefit of interest.