

Important Notice for Washington Electric and Natural Gas Customers August-September 2025

On August 29, 2025, Avista filed its annual Bonneville Power Administration (BPA) Residential Exchange Program, Wildfire Expense Balancing Account, Insurance Expense Balancing Account, Clean Energy Implementation Plan (CEIP), Low Income Rate Assistance Program (LIRAP), Climate Commitment Act (CCA) 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, 2025 for electric and natural gas customers.

If approved, Avista's request is designed to increase electric revenues by \$13.1 million or 1.7% and would decrease natural gas revenues by \$24.1 million or 8.6%.

Washington Natural Gas Adjustment Filings

Four natural gas adjustments were filed, that if approved, are designed to change overall natural gas revenues as follows:

1. Purchased Gas Cost Adjustment: decrease of \$17.2 million or 6.1%
2. Climate Commitment Act: decrease of \$7.6 million or 2.7%
3. Low Income Rate Assistance Program: increase of \$0.8 million or 0.3%
4. Insurance Expense Balancing: decrease of \$0.1 million or 0.03%

Washington Electric Adjustment Filings

Five electric adjustments were filed, that if approved, are designed to change overall electric revenues as follows:

1. Wildfire Expense Balancing: decrease of \$0.3 million or 0.03%
2. Residential Exchange Program: increase of \$4.6 million or 0.6%
3. Insurance Expense Balancing: increase of \$2.4 million or 0.3%
4. Clean Energy Implementation Plan: decrease of \$0.3 million or 0.03%
5. Low Income Rate Assistance Program: increase of \$6.7 million or 0.9%

A description of each of the rate adjustments is as follows:

Purchased Gas Cost Adjustment

The Purchased Gas Cost Adjustment (PGA) is 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 from the prior year PGA.

Climate Commitment Act Adjustment

The Climate Commitment Act (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 result 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. The rate change proposed reflects the cost of compliance with the CCA.

Low Income Rate Assistance Program Adjustment

The 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 continuation and expansion of all LIRAP components, which includes both an income-based bill discount as well as offerings intended to help customers manage their past due balances, or arrearages.

Insurance Expense Balancing Account Adjustment

The 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 level of expense incurred as compared to the approved amount for electric and natural gas customers.

Wildfire Expense Balancing Account Adjustment

The 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 change proposed reflects the level of expense incurred as compared the base amount.

Residential Exchange 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. The benefit Avista will receive from BPA starting in October 2025 will result in a lower level of benefits than is currently being passed through to qualifying customers.

Clean Energy Implementation Plan Adjustment

The Clean Energy Implementation Plan (CEIP), which recovers the costs required as a direct result of implementing its CEIP. These costs include a "Named Communities Investment Fund" (NCIF) as a specific action to be dedicated to the equitable distribution of energy and non-energy benefits and reduction in burdens to Vulnerable Populations and Highly Impacted Communities (Named Communities). In addition to the NCIF, this tariff recovers the costs for additional resources necessary for implementation of Avista's CEIP and associated conditions to the CEIP.

Change in Rates - If approved by the Commission, residential electric customers in Washington using an average of 945 kilowatt hours/month would see their monthly bills change from \$123.42 to \$126.69, an increase of \$3.27/month, or approximately 2.6%. Most residential natural gas customers in Washington using an average of 66 therms per month would see their monthly bills change from \$95.97 to \$86.84, a decrease of \$9.13 per month, or approximately 9.5%, when compared to rates currently in effect.

The percentage change will vary by rate schedule, depending on when the customer's meter was first installed at their premise, and how much energy a customer uses. If approved, customers could see the following rate adjustments:

Electric Rate Change

Proposed Schedule 1 Residential Rates (effective Nov. 1, 2025)

Electric Service	Current Billing Rate	Proposed Change	Proposed Billing Rates
Basic Charge	\$10.00	\$0.00	\$10.00
First 800 kWh/month	\$0.11756/kWh	\$0.00346/kWh	\$0.12102/kWh
Next 700 kWh/month	\$0.13360/kWh	\$0.00346/kWh	\$0.13706/kWh
Over 1,500 kWh/month	\$0.15335/kWh	\$0.00346/kWh	\$0.15681/kWh

Proposed Electric Rate Change by Schedule (effective Nov. 1, 2025)

Schedule No.	Rate Schedule	% Change in Billed Revenue
1/7/8	Residential	2.6%
11/12/13/17/18	General Service	1.5%
21/22/23	Large General Service	1.2%
25/25I	Ex. Lg. General Service	-0.2%
31/32	Pumping Service	2.0%
42-48	Street and Area Lights	1.4%
Overall		1.7%

Natural Gas Rate Change**Proposed Schedule 101 Rates (effective Nov. 1, 2025)**

Natural Gas Service	Current Billing Rate	Proposed Change	Proposed Billing Rates
Basic Charge	\$10.50	\$0.00	\$10.50
Avg. Sch 162/163 CCA Credit	(\$10.33)	(\$10.78)	(\$21.11)
First 70 therms/month	\$1.45160/therm	\$0.02495/therm	\$1.47655/therm
Over 70 therms/month	\$1.62089/therm	\$0.02495/therm	\$1.64584/therm

Proposed Natural Gas Rate Change by Schedule (effective Nov. 1, 2025)

Schedule No.	Rate Schedule	% Change in Billed Revenue
101	General Service	-9.1%
111/112	Large General Service	-8.1%
131/132	Interruptible Sales Service	-5.7%
146	Transportation Service	-3.3%
Overall		-8.6%

The Company's requests are proposals, subject to public review and a Commission decision. The Commission has the authority to set final rates that may vary from the utility's requests, 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. The WUTC is committed to providing reasonable accommodation for participants with disabilities. If you need reasonable accommodations to participate in this open meeting (or public comment hearing, workshop, etc.) please contact the Commission at 888-333-9882 or email at Consumer@utc.wa.gov. 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 MSC-27, Spokane, WA 99202.

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