

### Step 3: 2020 Proposed Natural Gas Increase Proposed Schedule 101 Rates (effective 5/1/20)

Natural Gas	Current Bill Rate	Proposed Increase	Proposed Net Billing Rates
Basic Charge	\$10.00	\$0.00	\$10.00
First 70 therms/month	\$0.81799	\$0.02868	\$0.84667
Over 70 therms/month	\$0.94431	\$0.02868	\$0.97299

### Proposed Natural Gas Rate Increase by Schedule (effective 5/1/20)

Schedule No.	Rate Schedule	% Increase* Billed Revenue
101	General Service Schedule	2.8%
111/112	Large General Service Schedule	2.2%
121/122	Ex. Lg. General Service Schedule	1.9%
131/132	Interruptible Sales Service Schedule	1.8%
146	* Transportation Service Schedule	4.4%
Overall		2.7%

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

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

The Commission is conducting an investigation and will hold hearings to examine the requested increase(s). The Commission considers the public's opinion when reviewing Avista's proposal and has the authority to set final rates that may be different from the requested increase(s) based on the results of the investigation. The Commission can take up to 11 months to review the filing and should issue its ruling on or before April 26, 2018.

#### Public hearing dates & locations

**November 8, 2017**  
**6 p.m.**

North East Community Center  
4001 N. Cook St.  
Spokane, WA 99207  
FREE PARKING

**November 28, 2017**  
**6 p.m.**

Pioneer Center  
240 S.E. Dexter St.  
Pullman, WA 99163  
FREE PARKING

The Commission is committed to providing reasonable accommodations to participants with disabilities. If you need reasonable accommodations, please contact the Commission at [human\\_resources@utc.wa.gov](mailto:human_resources@utc.wa.gov) or (360) 664-1132. For more information, go to [www.utc.wa.gov](http://www.utc.wa.gov).

If you are unable to attend, you may still contact the Commission with questions or to share your comments several ways. You can submit comment online at [www.utc.wa.gov](http://www.utc.wa.gov), click on the "Submit a Comment" link. You can also email comments to [comments@utc.wa.gov](mailto:comments@utc.wa.gov), via telephone at 1-888-333-9882, or via letter at:

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

With all comments, please include your name and a mailing or email address. Please include the name of the company (Avista) and the docket numbers UE-170485/UG-170486.

Residential and small business customers are represented by the **Public Counsel Unit of the Washington State Attorney General's Office**. You can contact them via the web at <http://atg.wa.gov/utilities-regulated>, or by email at [utility@atg.wa.gov](mailto:utility@atg.wa.gov).

### Bill Assistance and Payment Options

Avista has a variety of tools available to help customers who may need them, such as:

- Energy assistance programs and grants
- Energy saving tools and advice
- Payment options
- Rebates
- Online energy advisor

Customers may qualify for payment arrangements and bill or energy assistance programs on an individual basis. If you find that you need a helping hand, please contact us.

**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.myavista.com](http://www.myavista.com) or contact us at (800) 227-9187.**



**AVISTA**

## Company seeks recovery of costs for investments in Three-Year Rate Plan

On May 26, 2017, Avista requested a Three-Year Rate Plan with the Washington Utilities and Transportation Commission to increase electric and natural gas base rates. If approved, the Three-Year Rate Plan would allow Avista to increase the electric and natural gas rates charged to customers annually over the next three years. Avista is proposing electric and natural gas revenue increases to occur May 1, 2018, May 1, 2019 and May 1, 2020. The Commission has up to 11 months from the date of the filing to review the request.

If Avista's proposal is approved:

Electric revenues would increase as follows:

- **May 1, 2018:** 12.0 percent or \$61.4 million
- **May 1, 2019:** 2.4 percent or \$14 million
- **May 1, 2020:** 2.5 percent or \$14.4 million

Natural gas revenues would increase as follows:

- **May 1, 2018:** 5.4 percent or \$8.3 million
- **May 1, 2019:** 2.6 percent or \$4.2 million
- **May 1, 2020:** 2.7 percent or \$4.4 million

## Components of Avista's Request

Capital investments are the primary reason Avista is requesting rate increases. These investments are intended to achieve the following goals:

- Respond to customer requests for new service or service enhancements;
- Meet our customers' expectations for quality and reliability of service;
- Meet regulatory and other mandatory obligations;
- Address system performance and capacity issues;
- Replace infrastructure at the end of its useful life based on asset condition; and
- Replace equipment that is damaged or fails, and support field operations.

The electric and natural gas requests are based on a proposed rate of return (ROR) on rate base of 7.76 percent with a common equity ratio of 50 percent and a 9.9 percent return on equity (ROE).

## Electric Bill Impact

If the Commission approves Avista's requests, a residential electric customer using an average of 938 kilowatt hours (kWhs) per month could expect to see billed increases as follows:

- **On May 1, 2018:** An increase of \$10.63 per month, or 12.6 percent. This increases the average monthly bill to \$95.14. This bill increase also includes a higher monthly basic charge, which is proposed to increase from \$8.50 to \$10.00. The basic charge covers a portion of Avista's fixed costs that do not vary based on customer usage.
- **May 1, 2019:** A \$2.53 per month (2.7 percent) increase for a revised monthly bill of \$97.67. There would be no further change to the basic charge.
- **May 1, 2020:** A \$2.61 per month (2.7 percent) increase for a revised monthly bill of \$100.28. There would be no further change to the basic charge.

The current and proposed rates for residential customer service are as follows:

### Step 1: 2018 Proposed Electric Increase

Proposed Schedule 1 Residential Rates (5/1/18)

Electric Service	Current Bill Rate	Proposed Increase	Proposed Net Billing Rates
Basic Charge	\$8.50	\$1.50	\$10.00
First 800 kWhs/month	\$0.07926	\$0.00950	\$0.08876
Next 700 kWhs/month	\$0.09134	\$0.01105	\$0.10239
Over 1,500 kWhs/month	\$0.10616	\$0.01296	\$0.11912

### Proposed Electric Rate Increase by Schedule (5/1/18)

Schedule No.	Rate Schedule	% Increase in Billed Revenue
1	Residential Schedule	12.6%
11/12	General Service Schedule	9.7%
21/22	Large General Service Schedule	12.2%
25	Ex. Lg. General Service Schedule	12.1%
31/32	Pumping Service Schedule	12.2%
41/48	Street and Area Lights Schedule	12.0%
Overall		12.0%

### Step 2: 2019 Proposed Electric Increase

Proposed Schedule 1 Residential Rates (5/1/19)

Electric Service	Current Bill Rate	Proposed Increase	Proposed Net Billing Rates
Basic Charge	\$10.00	\$0.00	\$10.00
First 800 kWhs/month	\$0.08876	\$0.00270	\$0.09146
Next 700 kWhs/month	\$0.10239	\$0.00270	\$0.10509
Over 1,500 kWhs/month	\$0.11912	\$0.00270	\$0.12182

### Proposed Electric Rate Increase by Schedule (5/1/19)

Schedule No.	Rate Schedule	% Increase in Billed Revenue
1	Residential Schedule	2.5%
11/12	General Service Schedule	2.0%
21/22	Large General Service Schedule	2.5%
25	Ex. Lg. General Service Schedule	2.5%
31/32	Pumping Service Schedule	2.5%
41/48	Street and Area Lights Schedule	2.4%
Overall		2.4%

### Step 3: 2020 Proposed Electric Increase

Proposed Schedule 1 Residential Rates (5/1/20)

Electric Service	Current Bill Rate	Proposed Increase	Proposed Net Billing Rates
Basic Charge	\$10.00	\$0.00	\$10.00
First 800 kWhs/month	\$0.09146	\$0.00278	\$0.09424
Next 700 kWhs/month	\$0.10509	\$0.00278	\$0.10787
Over 1,500 kWhs/month	\$0.12182	\$0.00278	\$0.12460

### Proposed Electric Rate Increase by Schedule (5/1/20)

Schedule No.	Rate Schedule	% Increase in Billed Revenue
1	Residential Schedule	2.6%
11/12	General Service Schedule	2.0%
21/22	Large General Service Schedule	2.5%
25	Ex. Lg. General Service Schedule	2.5%
31/32	Pumping Service Schedule	2.5%
41/48	Street and Area Lights Schedule	2.5%
Overall		2.5%

## Natural Gas Bill Impact

If the Commission approves Avista's requests, a residential natural gas customer using an average of 65 therms per month could expect to see a billed increase as follows:

- **May 1, 2018:** An increase of \$3.25, or 5.6 percent. This increases the average monthly bill to \$61.39. This includes a proposed increase in the monthly basic charge from \$9.00 to \$10.00.

- **May 1, 2019:** An increase of \$1.78 per month (2.9 percent) for a revised monthly bill of \$63.17. There would be no further change to the basic charge.
- **May 1, 2020:** An increase of \$1.86 per month (3.0 percent) for a revised monthly bill of \$65.03. There would be no further change to the basic charge.

The current and proposed rates for residential and small commercial customers are as follows:

### Step 1: 2018 Proposed Natural Gas Increase Proposed Schedule 101 Rates (effective 5/1/18)

Natural Gas	Current Bill Rate	Proposed Increase	Proposed Net Billing Rates
Basic Charge	\$9.00	\$1.00	\$10.00
First 70 therms/month	\$0.75598	\$0.03462	\$0.79060
Over 70 therms/month	\$0.87192	\$0.04500	\$0.91692

### Proposed Natural Gas Rate Increase by Schedule (effective 5/1/18)

Schedule No.	Rate Schedule	% Increase* Billed Revenue
101	General Service Schedule	5.7%
111/112	Large General Service Schedule	4.5%
121/122	Ex. Lg. General Service Schedule	3.7%
131/132	Interruptible Sales Service Schedule	3.5%
146	* Transportation Service Schedule	9.3%
Overall		5.4%

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

### Step 2: 2019 Proposed Natural Gas Increase Proposed Schedule 101 Rates (effective 5/1/19)

Natural Gas	Current Bill Rate	Proposed Increase	Proposed Net Billing Rates
Basic Charge	\$10.00	\$0.00	\$10.00
First 70 therms/month	\$0.79060	\$0.02739	\$0.81799
Over 70 therms/month	\$0.91692	\$0.02739	\$0.94431

### Proposed Natural Gas Rate Increase by Schedule (effective 5/1/19)

Schedule No.	Rate Schedule	% Increase* Billed Revenue
101	General Service Schedule	2.8%
111/112	Large General Service Schedule	2.2%
121/122	Ex. Lg. General Service Schedule	1.8%
131/132	Interruptible Sales Service Schedule	1.7%
146	* Transportation Service Schedule	4.4%
Overall		2.6%

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