

**Important Notice for Washington Electric and Natural Gas Customers
August-September 2020**

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On July 31, 2020, Avista filed its annual Purchased Gas Cost Adjustment and Low Income Rate Assistance Program rate adjustment filings with the Washington Utilities and Transportation Commission (UTC or Commission). These annual filings, required by Commission rule or order, have no impact on the company's earnings.

The first rate adjustment 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 decrease is primarily due to wholesale natural gas and transportation costs which are slightly lower than the level presently included in rates. If approved, Avista's request is designed to decrease natural gas revenues by \$0.2 million or 0.1%. The PGA rate adjustment is proposed to be effective November 1, 2020.

The second adjustment is related to the Low Income Rate Assistance Program (LIRAP). LIRAP provides bill assistance and/or rate discounts to income eligible customers with a household income less than or equal to 200% of the Federal Poverty Level and funds various pilot programs such as conservation education and temporary hardships. As a part of the Commission's orders in Avista's 2015 and 2019 general rate cases, Avista is required to file revisions to increase LIRAP funding by 7% for the program year beginning October 1, 2016 and annual funding increases through Avista's next general rate case, by August 15th each year. The overall rate increase to electric customers is approximately \$0.7 million, or an overall increase of approximately 0.1%. The overall rate increase to natural gas customers is approximately \$0.4 million, or an overall increase of approximately 0.2%. The LIRAP rate adjustment is proposed to be effective October 1, 2020.

Change in Rates - If approved by the Commission, residential electric customers in Washington using an average of 918 kilowatt hours per month would see their monthly bills change from \$82.91 to \$83.02, an increase of \$0.11 per month, or approximately 0.1% on October 1. Residential natural gas customers using an average of 66 therms per month would see their monthly bills change from \$56.43 to \$56.56, an increase of \$0.13 per month, or approximately 0.2% on October 1 and a decrease from 56.56 to 56.48, a decrease of \$0.08 per month, or approximately 0.1% on November 1.

The percentage change for electric and natural gas customers 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 Oct. 1, 2020)

Electric Service	Current Billing Rate	Proposed Change	Proposed Billing Rates
Basic Charge	\$9.00	\$0.00	\$9.00
First 800 kWhs/month	\$0.07881/kWh	\$0.00012/kWh	\$0.07893/kWh
Next 700 kWhs/month	\$0.09205/kWh	\$0.00012/kWh	\$0.09217/kWh

Over 1,500 kWh/month	\$0.10831/kWh	\$0.00012/kWh	\$0.10843/kWh
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Proposed Electric Rate Change by Schedule (effective Nov. 1, 2019)

Schedule No.	Rate Schedule	% Increase in Billed Revenue
1/2	Residential	0.1%
11/12	General Service	0.1%
21/22	Large General Service	0.1%
25	Ex. Lg. General Service	0.1%
31/32	Pumping Service	0.1%
41-48	Street and Area Lights	0.1%
	Overall	0.1%

Natural Gas Rate Change

Proposed Schedule 101 Rates

Natural Gas Service	Current Billing Rate	Proposed Change October 1, 2020	Proposed Change November 1, 2020	Proposed Billing Rates
Basic Charge	\$9.50	\$0.00	\$0.00	\$9.50
First 70 therms/month	\$0.711111/therm	\$0.00188/therm	-\$0.00120/therm	\$0.711179/therm
Over 70 therms/month	\$0.83409/therm	\$0.00188/therm	-\$0.00120/therm	\$0.83477/therm

Proposed Natural Gas Rate Increase by Schedule

Schedule No.	Rate Schedule	% Increase Billed Revenue October 1, 2020	% Increase Billed Revenue November 1, 2020
101/102	General Service	0.2%	-0.1%
111/112	Large General Service	0.2%	-0.2%
131/132	Interruptible Sales Service	0.3%	1.9%
146	Transportation Service	0.1%	0.0%
	Overall	0.2%	-0.1%

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 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, 621 Woodland Square Loop, P.O. Box 47250, Lacey, WA 98503-7250, or online at: www.utc.wa.gov.

Due to the COVID-19 pandemic, we are unable to provide copies at our office locations as we usually do. However, copies of our filings are available for public review at www.myavista.com/rates or on the Commission website at www.utc.wa.gov.

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