

**Avista Corporation**

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Jeff Killip
Executive Director and Secretary
Washington Utilities & Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

RE: Avista Utilities Tariff WN U-28, Schedule 64, Clean Energy Implementation Rate Adjustment

Dear Mr. Killip:

Attached for electronic filing with the Washington Utilities and Transportation Commission (Commission) is Avista Corporation's, dba Avista Utilities (Avista or the Company) proposed modifications to electric tariff sheets, WN U-28 – Electric Service:

First Revision Sheet 64

Cancelling

Original Sheet 64

I. PURPOSE

The purpose of this filing is to modify Avista's tariff Schedule 64, which outlines the cost recovery related to implementation of the Company's Clean Energy Implementation Plan (CEIP). Avista is requesting approval of its proposed tariff schedule modifications with an effective date of November 1, 2025.

II. BACKGROUND

Avista filed its first CEIP on October 1, 2021, pursuant to WAC 480-100-640, describing the Company's interim and specific clean energy targets, specific actions it will take towards achieving those targets, and identifying Customer Benefit Indicators (CBIs) designed to measure progress. Avista's CEIP was conditionally approved on June 16, 2022.¹

¹ Docket UE-210628, Order 01.

In order to implement the CEIP and associated 38 conditions, the Company filed a deferred accounting petition (Petition) to defer the costs required to implement the CEIP.² Included in the Petition and as described more fully below, in its CEIP, Avista proposed to implement a “Named Communities Investment Fund” (NCIF or Fund) 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, jointly referred to as Named Communities. The Company originally requested to defer implementation costs until such time that it could propose recovery in base rates during its next general rate case (GRC) (i.e., its 2024 rate case with rate effective December 21, 2024), defer NCIF costs into the future, and to begin amortizing deferred costs on August 1, 2023. The Company’s Petition was approved on July 28, 2022, with an effective date starting June 16, 2022 (the approval date of Avista’s 2021 CEIP).³

Due to minimal deferred NCIF costs through mid-2023, the Company did not propose to begin amortization of deferred costs on August 1, 2023, as proposed in its Petition. Additionally, considering the relatively minimal and uncertain nature of the other new costs associated with implementing the 2021 CEIP, Avista did not include them in its 2024 general rate case.⁴ As such, on March 25, 2024, Avista filed for an amendment to Order 01 in Docket UE-220350 requesting that the Company be allowed to (1) defer costs associated with the implementation of its 2021 CEIP beyond December 21, 2024, (2) defer costs associated with the implementation of future CEIPs, and (3) to treat the approved deferral as a balancing account when the Company seeks to recover the deferral. On May 9, 2024, the Commission issued order 02 in Docket UE-220350 approving the aforementioned amendments.

Additionally, on August 30, 2024, Avista filed its proposed Clean Energy Implementation Rate Adjustment Tariff Schedule 64 (Schedule 64) to recover CEIP related expenses, which became effective by operation of law on November 1, 2024. The proposed tariff modifications proposed herein include deferred CEIP related labor and non-labor expenses incurred between July 1, 2024, and June 30, 2025. Avista will include the incremental labor in its next GRC. Initiatives included in this deferral may incur charges across multiple years or reporting periods. As such, the costs requested for recovery in this reporting period may or may not reflect total project costs.

III. CLEAN ENERGY IMPLEMENTATION PLAN & NAMED COMMUNITY INVESTMENT FUND INCREMENTAL SPEND

To implement the CEIP, the Company incurred incremental labor and non-labor charges related to the delivery of the CEIP and projects under the NCIF. The Company is seeking recovery of \$1.54 million CETA related labor and non-labor costs, and the associated interest and revenue

² Docket UE-220350.

³ Docket UE-220350, Order 01.

⁴ Dockets UE-240006 and UG-240007.

conversion costs. As listed in Table No. 1 below, the labor and non-labor incremental charges total \$1.54 million for the period of July 1, 2024, through June 30, 2025.

Table No. 1 – CEIP & NCIF Incremental Spend Summary

Category	Labor	Non-Labor	Total
Clean Energy Implementation Plan	\$ 357,732	\$ 124,490	\$ 482,222
Named Communities Investment Fund	\$ -	\$ 1,057,693	\$ 1,057,693
Total	\$ 357,732	\$ 1,182,183	\$ 1,539,915

CEIP Incremental Non-Labor

The Company's non-labor costs associated with its CEIP totaled \$124,490 with an itemization of the charges below in Table No. 2 followed by a narrative description of each.

Table No. 2 – CEIP | Incremental Non-Labor Spend Detail

Clean Energy Implementation Plan	Non-Labor
EAG Stipend	\$ 4,050
Applied Energy Group	\$ 5,810
Cedar Plank	\$ 8,373
Desautel Hege Communications (DH)	\$ 45,000
Axiom	\$ 61,200
Public Meeting Social Media Boost	\$ 58
Total	\$ 124,490

IV. NAMED COMMUNITY INVESTMENT FUND

Table No. 3 – NCIF | Incremental Non-Labor by Category Type

Distribution	Customer & Third Party	Outreach	Other	Total
\$ 584,020	\$ 170,117	\$ 108,504	\$ 195,053	\$ 1,057,693

Table No. 4 below provides a list of the NCIF projects or benefiting organizations by category with the costs incurred during this reporting period of July 1, 2024, through June 30, 2025. The asterisk (*) references projects where projects utilize funds from more than one category. Detailed descriptions of each project and/or organization receiving funding can be found in Attachment A.

Table No. 4 – NCIF | Incremental Non-Labor Detail

Category	Project / Organization Name	Non-Labor	Total
Distribution Resiliency			
	Martin Luther King, Jr. Community Center	\$ 459,120	
	Malden Community Center	\$ 107,800	
	Medical Battery Backup Pilot Survey	\$ 17,100	
Distribution Resiliency Subtotal			\$ 584,020
Customer & Third Party			
	Spokane Neighborhood Action Partners	\$ 9,108	
	Aging & Long Term Care of Eastern Washington	\$ 16,621	
	Gladish Community & Cultural Center*	\$ 13,034	
	Westminister United Church of Christ	\$ 16,097	
	AHANA-Multi-Ethnic Business Association	\$ 20,070	
	Village Co-Housing Works	\$ 4,849	
	Gonzaga Institute for Climate, Water & Environment	\$ 90,338	
Customer & Third Party Total			\$ 170,117
Outreach & Engagement			
	Weglot	\$ 594	
	Ellis Media	\$ 6,000	
	Hanna & Associates	\$ 11,313	
	Desautel Hege (DH) Communications	\$ 63,384	
	Avista Graphics Printing	\$ 16	
	Social Media Boost	\$ 1,183	
	Feast World Kitchen	\$ 2,551	
	Little Fish Productions	\$ 13,655	
	Scott Social	\$ 8,400	
	Public Participation Partners (P3)	\$ 1,409	
Outreach & Engagement Total			\$ 108,504
Other Projects			
	Gladish Community & Cultural Center*	\$ 131,428	
	St. Ann Corner Laundry	\$ 13,625	
	Dignified Work Day	\$ 50,000	
Other Total			\$ 195,053
Grand Total			\$ 1,057,693

V. FUTURE NCIF COMMITMENTS

Avista continues to see the magnitude of the need for NCIF support for community envisioned and led projects, and the benefits they provide for their communities. Under the 2021 CEIP, the NCIF funding and award period is June 16, 2022, through December 31, 2025. Awarded project timelines and activities vary in length, resulting in a lag between awarded projects and actual funds spent. In addition to the actualized NCIF community project costs specified in the sections above, the Company has committed funds that have yet to be realized. Avista anticipates these projects and the associated funds to be completed throughout the remainder of 2025 and into 2026. In Avista's 2025 CEIP, it proposes to maintain the \$3 million Community NCIF and will withhold awarding projects until after the Commission's decision on the Company's CEIP.

VI. CUSTOMER IMPACTS

The proposed Schedule 64 will decrease the Company's annual Washington revenues by approximately \$250,000, or about 0.3%. For purposes of the revenue spread and rate design, the Company applied a percentage of base revenue allocation and a uniform cent per kWh to the individual rate schedules.⁵ As a result of the proposed Schedule 64 impacts, the average Washington residential customer receiving service under schedule 01 will see a decrease of \$0.02 per month. If approved, the average monthly bill for residential electric customers using 945 kWh a month would decrease from \$123.42 to \$123.39. For all other rate schedules, the following chart includes the estimated monthly bill impact for each customer class based on average use of the customer for each schedule.

Schedule Nos.	Rate Schedule	CEIP Charge	Total Net Monthly Bill Amount	% Change in Billed Revenue
01/07/08	Residential	\$0.00036 per kWh	\$0.36	(0.02)%
11/12/13/17/18	General Service	\$0.00044 per kWh	\$0.44	(0.01)%
21/22/23	Large General Service	\$0.00036 per kWh	\$0.36	(0.03)%
25/25I	Extra Large General Service	\$0.00018 per kWh (First 500,000 kWh) \$0.00018 per kWh (Next 500,500 kWh) \$0.00000 per kWh (Over 600,000 kWh)	\$0.18	(0.10)%
31/32	Pumping	\$0.00031 per kWh	\$0.31	(0.08)%
41-48	Street and Area Lights	\$0.00171 per kWh	\$0.17	(0.0)%
Total			\$1.82	(0.3)%

⁵ Consistent with the rate spread and rate design for the Company's LIRAP tariff the 3rd block for Schedules 25 and 25I have been removed from the allocations.

This filing is being made concurrently with four other electric rate adjustments applicable to Avista customers.⁶ Collectively, if approved by the Commission, residential electric customers 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%.

VII. CONCLUSION

As outlined in the attached Schedule 64, Avista hereby requests that the proposed tariff modifications become effective on November 1, 2025. Also included with this filing is a draft of the customer notice that will be sent to customers in September. If you have any questions regarding this filing, please contact me at (509) 495-7950 or amanda.ghering@avistacorp.com.

Sincerely,

/s/ Amanda Ghering

Amanda Ghering
Regulatory Affairs Manager

⁶ Avista's Bonneville Power Administration (BPA) Residential Exchange Program, Wildfire Expense Balancing Account, Insurance Expense Balancing Account, Clean Energy Implementation Plan (CEIP), and Low Income Rate Assistance Program (LIRAP) will all be filed simultaneously on August 29, 2025.