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July 31, 2026

Commission Secretary
Idaho Public Utilities Commission
11331 W. Chinden Blvd
Building 8, Suite 201-A
Boise, ID 83714

RE: Avista Utilities Request To Decrease Schedule 191, Energy Efficiency Rider Adjustment

Dear Commission Secretary:

In accordance with Idaho Code §§ 61-501 and -507, and pursuant to Rule of Procedure (RP) 53 (IDAPA 31.01.01.53), Avista Corporation, dba Avista Utilities ("Avista" or "Company"), hereby submits for electronic filing with the Idaho Public Utilities Commission ("Commission") its Application requesting approval to decrease its natural gas tariff Schedule 191, "Energy Efficiency Rider Adjustment" rates, effective November 1, 2026.

If you have any questions regarding this filing, please contact Jaime St Peter, Manager of Regulatory Affairs, at (509) 495-7839 or Jaime.StPeter@avistacorp.com.

Sincerely,

/s/ Jaime St Peter

Jaime St Peter
Regulatory Affairs Manager

ANNI GLOGOVAC
ISB #13010
COUNSEL, LEGAL DEPARTMENT
AVISTA CORPORATION
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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

	)	
IN THE MATTER OF THE APPLICATION	)	CASE NO. AVU-G-26-05
OF AVISTA CORPORATION FOR AN	)	
ORDER AUTHORIZING A DECREASE IN	)	APPLICATION OF AVISTA
RATES CHARGED FOR NATURAL GAS	)	CORPORATION FOR CHANGES
DEMAND SIDE MANAGEMENT PROGRAMS	)	TO SCHEDULE 191
	)	

I. INTRODUCTION

Avista Corporation doing business as Avista Utilities ("Avista" or the "Company"), at 1411 East Mission Avenue, Spokane, Washington, pursuant to Idaho Code § 61-524 and IDAPA 31.01.01, Rules of Procedure (RP), Rule 52 *et. seq.*, of the Idaho Public Utilities Commission (PUC or "Commission"), hereby respectfully requests that the Commission issue an order authorizing the proposed revisions to the Company's Schedule 191, "Energy Efficiency Rider Adjustment" (Rider). The purpose of these tariff revisions is to reduce the rate charged to all customers in support of Avista's natural gas demand-side management (DSM) programs to $0, in alignment with the Company's request to suspend its natural gas programs in Case No. AVU-G-26-01 ("Suspension Request").[1] As a result of this filing (hereafter "Application"), Avista's proposal would result in a reduction of overall natural gas

[1] Avista filed its original Suspension Request application on June 12, 2026, with a subsequent revision filed on July 21, 2026; all references to "Suspension Request" herein are to that revised application.

revenues of approximately $1.4 million, or 1.6%; when combined with the additional Company rate adjustments being requested concurrently,[2] this equates to an overall rate decrease of approximately 1.5% effective November 1, 2026.

Avista is a utility that provides service to approximately 423,000 retail electric customers and 383,000 natural gas customers in a 30,000 square-mile service territory covering portions of northern Idaho, eastern Washington, and Oregon. The largest community served by Avista is Spokane, Washington, which is the location of its corporate headquarters. The Company requests that all correspondence related to this Application be directed to:

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II. BACKGROUND

As provided in its Suspension Request, Avista proposed to temporarily suspend its natural gas DSM programs effective December 31, 2026 due to a lack of cost-effectiveness anticipated as a result of the latest natural gas avoided costs released as part of Avista's Integrated Resource Plan (IRP) process. If approved as requested, the suspension of these programs also warrants a parallel suspension of any associated rates being collected for purposes of natural gas DSM program cost recovery. The Company informed its Energy Efficiency Advisory Group (EEAG) of the final decision to file for suspension of its residential

[2] Filed simultaneously with this Application are Avista's natural gas rate adjustment requests for its Purchased Gas Adjustment (PGA) Schedules 150 and 155, and Fixed Cost Adjustment (FCA) Schedule 175.

and commercial natural gas DSM programs, including the need to concurrently set its associated DSM Rider collection rate to $0.00/therm for every rate class, on May 19, 2026. Avista then filed with the Commission its Suspension Request with a proposed effective date of September 1, 2026 to allow for adequate customer noticing regarding the impending suspension of programs prior to their official pause at the end of 2026. In its Suspension Request, the Company noted its intentions to decrease Schedule 191, as contained within this Application, stating:

> In alignment with these requested revisions to its Schedule 190 to suspend its natural gas DSM programs, the Company will seek modifications to its DSM Rider Schedule 191, to decrease the collection rate of the funds collected in support of natural gas DSM programs to $0.00/therm for every rate class, during the third quarter of 2026. To allow for more streamlined alignment of customer noticing procedures (and therefore less confusion for customers), this rate adjustment request is not being made concurrently with this Application, and will instead be filed simultaneously with the annual rate adjustments for several other tariffs, which Avista files each year with a requested November 1, 2026 effective date. These rate adjustments are anticipated to be filed no later than July 31, 2026.[3]

This Application is being made in fulfillment of this intention.

IV. ANTICIPATED PROGRAM TRANSITION AND SUSPENSION COSTS

Avista's Suspension Request contains a proposal to manage outstanding contractual obligations in addition to maintaining the Company's participation in the regional market transformation efforts of the Northwest Energy Efficiency Alliance (NEEA) during the period in which its other natural gas energy efficiency offerings are paused. Specifically, the Company plans to honor all terms and conditions of contracts and agreements fully executed prior to

[3] Suspension Request at 10:2-10.

December 31, 2026[4] and will maintain its commitment to funding NEEA, provided sufficient Rider balances remain available, throughout the temporary suspension timeframe. To account for costs associated with programs continuing through 2026, as well as ongoing NEEA funding and the Limited Income Program in 2027, Avista has included projected expenditures in the workpaper forecasts submitted with this Application. Monthly expenditures through the end of 2026 are expected to range from approximately \$230,000 to \$320,000, with a greater share of these costs anticipated to occur later in the year. These estimates are based on recent year-end expenditure trends in addition to an expected increase in customer participation resulting from communications regarding the upcoming conclusion of these programs. A summary of the projected program costs is provided below.

Site Specific Programs

No Site-specific projects are currently contracted, however, the Company estimates a budget of approximately \$100,000 throughout 2027 to pay outstanding projects based on the current project pipeline, as well as the potential throughput increase noted above. Contracts for site-specific projects must be executed by December 31, 2026.

Residential Prescriptive Rebate Program

The Company estimates that incentive expenditures will be around \$80,000 for the balance of the year. The program will conclude on December 31, 2026; no expenditures are anticipated in 2027.

Midstream Rebate Program

The Company estimates incentive expenditures to be around \$460,000 through the remainder of 2026. The program will conclude on December 31, 2026, however, as noted in its Suspension Request, the Company will accept invoices for work completed in 2026 through May 1, 2027.

NEEA

The NEEA contracted funding share for Avista is approximately \$1.3 million[5] for the 2025-2029 funding cycle, or \$270,010 annualized. Given the currently overfunded DSM Rider balance,[6] existing Schedule 191 funding is sufficient to cover NEEA annualized funding, and that of the Limited Income Program as noted within this Application, through at least 2027. In

[4] For additional dates by which various documents should be postmarked for rebates, invoicing, etc., refer to the Suspension Request at 7:9-39 and 8:1-16.
[5] \$1,350,048.
[6] DSM Rider balance as of July 1 was nearly \$2.1 million overfunded.

mid-2027, the Company will reassess whether continued participation in 2028 and 2029 is warranted and feasible based on existing Rider balances at that time.

Limited Income Program

As noted within its Requested Suspension,[7] Avista will honor its existing 2026-2027 contract with the Community Action Partnership (CAP) of Lewiston for the delivery of natural gas weatherization incentives. The Company estimates expenditures under this contract will total approximately $400,000 for the 2027 program year. While this estimate is generally consistent with 2025 program year spending levels, it exceeds spending from earlier years. Avista has forecasted these costs at the higher end of the expected range to ensure that CAP retains the flexibility to allocate assistance based on each household's individual needs, regardless of fuel type.[8] The Company will closely monitor natural gas weatherization expenditures throughout the 2027 program year to ensure sufficient Rider balance remains available. Should program expenditures reduce available funding more quickly than anticipated, Avista will work closely with CAP to communicate fund availability and manage program expectations. If adequate funding is no longer available, the Company may exercise its contractual right to discontinue the agreement.

V. SCHEDULE 191 RATE ADJUSTMENT

While the Rider balance was approximately $2.3 million overfunded as of July 1, 2026, it is expected to be nearly $1.2 million overfunded by November 1, the proposed date of suspension of tariff collections. As projects and spending continue to wrap up in 2026, the Company anticipates beginning 2027 with the tariff overfunded by approximately $935,000.

The Company is not proposing to return this balance to customers at this time, as the proposed transition of Avista's natural gas DSM programs will still continue to incur costs throughout 2026 and into 2027. For example, approximately $100,000 in expenditures associated with site-specific projects contracted prior to the end of 2026 must still be funded from the existing Rider balance in 2027. In addition, the Company expects to incur ongoing Non-Incentive Utility Costs (NIUC), including labor, program administration, and Evaluation, Measurement & Verification (EM&V) activities related to the 2026 program year, estimated

[7] Requested Suspension at 8:12-16.

[8] Avista's contract with CAP does not provide a specific budget for each fuel, instead allowing discretion to serve each customer based on their individual household need; as such, the anticipated budget for the Limited Income Program is an estimate rather than a formal allocation.

at approximately $73,653 annually. These costs are in addition to Avista's contracted NEEA funding obligation and the estimated Limited Income Program expenditures discussed above, should continuation of that program be approved. In total, Avista anticipates approximately $890,763 in DSM Rider spending for 2027. The Company is not currently proposing any spending for 2028.

Table No. 1 – DSM Rider Balance Forecast, 2027

DSM Rider	2027
Tariff Rider Starting Balance	$ (934,911)
NEEA	$ 270,010
Limited Income	$ 400,000
Planned Site-Specific	$ 100,000
Planned Midstream	$ 47,101
Administrative Costs	$ 73,653
Total Annual Expenses	$ 890,763
Tariff Rider End of Year Balance	**$ (44,148)**

While the actual program elements of Avista's natural gas DSM efforts will not expire until the end of 2026, as described within this Application, the Company is requesting to suspend the collection of DSM Rider funds immediately upon the requested November 1, 2026 effective date. This decision is based on the acknowledgement that, if suspension of the natural gas program is approved by the Commission as requested, there is no further need to collect funding from customers for programs that are sunsetting shortly thereafter, especially given that the balance of the DSM Rider is already enough to cover any remaining expenditures. Therefore, the Company requests to adjust its tariff rider rate to $0.00000 per therm, effective November 1, 2026; workpapers in support of this rate decrease have been provided as an attachment to this filing. As its natural gas DSM operations cease, Avista will continue to collaborate with PUC Staff and its EEAG regarding any remaining Rider balance refunds due to customers based upon actual natural gas DSM expenditures.

VI. CUSTOMER NOTIFICATION OF TARIFF REVISIONS

Notice to the public of the proposed revisions, pursuant to RP 125, will be given by way of a customer notice, provided as an attachment to this filing, which will be included in customer bills beginning in early August 2026 and run for a full billing cycle. Notice will also be given simultaneously with the filing, by posting of the Application to the Company's website at myavista.com and by a press release which will be issued on July 31, 2026.

VII. CONCLUSION AND REQUEST FOR RELIEF

In conclusion, Avista respectfully requests that the Commission approve its proposed revisions to the Company's DSM Schedule 191, resulting in a reduction in rates and charges to tariff Schedule 191, equating to an estimated annual revenue decrease of nearly 1.6%. The proposed rate decrease will have an average monthly bill impact of approximately $1.03; this means that the average residential customer using 66 therms of natural gas per month will see a decrease from $59.28 to $58.24. Avista also requests this Application be processed under the Commission's Modified Procedure Rules through the use of written comments.

Dated this 31st day of July 2026.

AVISTA CORPORATION

By Patrick D. Ehrbar

Patrick Ehrbar
Director of Regulatory Affairs
Avista Corporation

AVISTA CORPORATION
d/b/a Avista Utilities

SCHEDULE 191

ENERGY EFFICIENCY RIDER ADJUSTMENT - IDAHO

APPLICABLE:

To Customers in the State of Idaho where the Company has natural gas service available. This Energy Efficiency Rider or Rate Adjustment shall be applicable to all retail customers taking service under Schedules 101, 111, 112, 131, and 132. This Rate Adjustment, is designed to recover costs incurred by the Company associated with providing energy efficiency services and programs to customers. The Company may, at its discretion to match revenue under this schedule with demand for services under Schedule 190, reduce or increase this charge on an annual basis. Any change in this charge is subject to Commission approval and its review of the previous year expenditures under Schedule 190 and determinations with regard to any revenue carry forward, and prospective budget on an annual basis. Any annual expenditures exceeding annual collections when combined with any carry forward budget surplus shall be at the Company's risk of future recovery.

MONTHLY RATE:

The energy charges of the individual rate schedules are to be increased by the following amounts:

Schedule 101	$0.00000 per Therm
Schedule 111 & 112	$0.00000 per Therm
Schedule 131 & 132	$0.00000 per Therm

SPECIAL TERMS AND CONDITIONS:

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

The above Rate is subject to increases as set forth in Tax Adjustment Schedule 158.

Patrick D. Ehrbar

~~Tenth~~Eleventh Revision Sheet 191
Canceling
I.P.U.C. No.27 ~~Ninth~~Tenth Revision Sheet 191

AVISTA CORPORATION
d/b/a Avista Utilities

SCHEDULE 191

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MONTHLY RATE:

The energy charges of the individual rate schedules are to be increased by the following amounts:

Schedule 101	\$0.~~01568~~00000 per Therm
Schedule 111 & 112	\$0.~~00711~~00000 per Therm
Schedule 131 & 132	\$0.~~00711~~00000 per Therm

SPECIAL TERMS AND CONDITIONS:

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

The above Rate is subject to increases as set forth in Tax Adjustment Schedule 158.

Issued July 31, ~~2025~~2026 Effective November 1, ~~2025~~2026

Issued by Avista Utilities
By Patrick Ehrbar – Director of Regulatory Affairs