BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF	)	
AVISTA UTILITIES FOR AN ORDER APPROVING	)	CASE: AVU-G-25-07
A CHANGE IN RATES FOR PURCHASED GAS	)	
COSTS AND AMORTIZATION OF GAS-RELATED	)	
DEFERRAL BALANCES	)	

This application ("Application") is hereby made to the Idaho Public Utilities Commission for an Order approving a revised schedule of rates and charges for natural gas service in the state of Idaho. The Applicant requests that the proposed rates included in this Purchased Gas Cost Adjustment ("PGA") filing be made effective on November 1, 2025. If approved as filed, the Company's annual revenue will decrease by approximately $6.5 million or about 7.2%. In support of this Application, Applicant states as follows:

I.

The name of the Applicant is AVISTA CORPORATION, doing business as AVISTA UTILITIES (hereinafter "Avista", "Applicant" or "Company"), a Washington corporation, whose principal business office is 1411 East Mission Avenue, Spokane, Washington, and is qualified to do business in the state of Idaho. Applicant maintains district offices in Moscow, Lewiston, Coeur d'Alene, Sandpoint, and Kellogg, Idaho. Communications in reference to this Application should be addressed to:

Patrick D. Ehrbar
Director of Regulatory Affairs
Avista Utilities
1411 E. Mission Avenue
Spokane, WA 99220-3727
Phone: (509) 495-8620
Pat.ehrbar@avistacorp.com
Dockets@avistacorp.com

II.

Attorney for the Applicant and his address is as follows:

David J. Meyer
Vice President and Chief Counsel for Regulatory
And Governmental Affairs
Avista Utilities
1411 E. Mission Avenue
Spokane, WA 99220-3727
Phone: (509) 495-4316

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III.

The Applicant is a public utility engaged in the distribution of natural gas in certain portions of Northern Idaho, Eastern and Central Washington, and Southwestern and Northeastern Oregon, and further engaged in the generation, transmission, and distribution of electricity in Northern Idaho and Eastern Washington.

IV.

Thirty-Fifth Revision Sheet 150, which Applicant requests the Commission approve, is filed herewith as Exhibit "A". Additionally, Twenty-Seventh Revision Sheet 155, which Applicant requests the Commission approve, is also filed herewith as Exhibit "A". Also included in Exhibit "A" is a copy of Thirty-Fifth Revision Sheet 150 and Twenty-Seventh Revision Tariff Sheet 155 with the changes underlined and a copy of Thirty-Fourth Revision Sheet 150 and Twenty-Sixth Revision Tariff Sheet 155 with the proposed changes shown by lining over the current language or rates.

V.

The existing rates and charges for natural gas service on file with the Commission and designated as Applicant's Tariff IPUC No. 27, which will be superseded by the rates and charges filed herewith, are incorporated herein as though fully attached hereto.

VI.

Notice to the Public of Applicant's proposed tariffs is to be given simultaneously with the filing of this Application by posting, at each of the Company's district offices in Idaho, a Notice in the form attached hereto as Exhibit "B" and by means of a press release distributed to various informational agencies, a draft copy attached hereto in Exhibit "C". In addition, Exhibit "C" to this Application also contains the form of customer notice that the Company will send to its customers in its monthly bills in the August timeframe.

VII.

The circumstances and conditions relied on for approval of Applicant's revised rates are as follows: Applicant purchases natural gas for customer usage and transports it over Williams Northwest Pipeline, Gas Transmission Northwest ("GTN"), TC Energy - Alberta, TC Energy - BC, and Enbridge Energy Pipeline systems, and defers the effect of timing differences due to implementation of rate changes and differences between Applicant's actual weighted average cost of gas ("WACOG") purchased and the WACOG embedded in rates. Applicant also defers various pipeline refunds or charges and miscellaneous revenue received from natural gas related transactions including pipeline capacity releases. Workpapers for all proposed Commodity, Demand and Amortization costs are provided with this filing as Exhibit "D".

VIII.

This filing reflects the Company's proposed annual PGA to: 1) pass through changes in the estimated cost of natural gas for the period of November 2025 through October 2026 (Schedule 150), and 2) revise the amortization rate(s) to refund or collect the balance of deferred natural gas costs (Schedule 155). Below is a table summarizing the proposed rate changes reflected in this filing:

Service	Sch. No.	Commodity Change per therm	Demand Change per therm	Total Sch. 150 Change	Amortization Change per therm	Total PGA Rate Change per therm
General	101	$ (0.02702)	$ 0.00985	$ (0.01717)	$ (0.04544)	$ (0.06261)
Lg. General	111	$ (0.02702)	$ 0.00985	$ (0.01717)	$ (0.04544)	$ (0.06261)
Lg General	112	$ (0.02702)	$ 0.00985	$ (0.01717)	$ -	$ (0.01717)
Interruptible	131	$ (0.02702)	$ -	$ (0.02702)	$ -	$ (0.02702)
Transportation	146	$ -	$ -	$ -	$ -	$ -

IX.

Schedule 150 / Purchase Gas Cost - Commodity Costs

As shown in the table above, the estimated WACOG change is a decrease of $0.02702 per therm; the proposed WACOG of $0.21148 per therm compared to the present WACOG of $0.23850 per therm included in rates. The decrease is a result of current forward prices being lower compared to when the Company filed its PGA in the prior year.

The past year has been relatively uneventful for the natural gas market in the Pacific Northwest. While the Central and Eastern United States had seen a couple of large demand events in January and February, those events did not extend to our region. The region's largest supply points, Sumas and AECO, have traded at a discount to Henry Hub, the national natural gas benchmark, since the end of this last winter as supply has been plentiful to meet demand for the region aside from some interstate pipeline maintenance. Before the winter season had ended, Sumas was trading much more closely to Henry Hub; AECO however maintained its consistent, historical discount throughout the past year.

As we look toward the upcoming winter, the national market fundamentals show strong production that is matched by growth in demand for LNG feed-gas that is exported abroad. Currently, the national gas storage volume has exceeded the five-year average for this time of year and some bearish price signals have appeared as supply confidence grows in strength. That bearishness has been even stronger for the Pacific Northwest as storage balances are near the top of the five-year range and Canadian production remains strong (which provides most of the supply to the Pacific Northwest region). One new source of demand in Western Canada is LNG Canada, located in British Columbia. LNG Canada, when fully operational (projected by end of 2025), will provide the region with additional demand of nearly 2 Bcf/day. Despite this incremental demand, recent pricing for the upcoming winter has fallen, displaying the market's perception of supply strength for the region and its ability to serve demand.

Avista has been hedging natural gas on both a periodic and discretionary basis throughout the previous thirty-six (36) months for the forthcoming PGA year. Approximately 50% of the annual load requirements for this year's PGA period (November 2025 through October 2026) have been hedged at a fixed price derived from the Company's plan. Through June, the hedge volumes for the PGA period have been executed at a weighted average price of $2.73 per dekatherm ($0.27331 per therm).

Available underground storage capacity at the Jackson Prairie Natural Gas Storage Facility represents approximately 17% of annual load requirements (23% of load requirements during the November to

March withdrawal period). The estimated WACOG for all storage volumes is $1.10 per dekatherm ($0.1102 per therm). The Company utilizes its underground storage to capture seasonal price spreads (differentials), improve the reliability of supply, increase operational flexibility and mitigate peak demand price spikes.

The Company used a 30-day historical average of AECO forward prices (ending June 30, 2025) to develop an estimated cost associated with index purchases. These index purchases represent approximately 33% of estimated annual load requirements for the coming year. The annual weighted average price for these volumes is $2.58 per dekatherm ($0.2584 per therm).

X.

Schedule 150 / Purchase Gas Cost - Demand Costs

Demand costs reflect the cost of pipeline transportation to the Company's system, as well as fixed costs associated with natural gas storage. As shown in the table above, demand costs are expected to increase for residential customers by approximately $0.00985 per therm. This increase is related to a variety of factors including Canadian exchange rate, updated demand forecast, and new pipeline rates in effect during the upcoming PGA year.

XI.

Schedule 155 / Amortization Rate Change

As shown in the table above, the proposed amortization rate change for Schedule 101 and Schedule 111 is a decrease in revenue of $0.04544 per therm. The current rate applicable to Schedule 101 and Schedule 111 is $0.01734 per therm in the rebate direction; the proposed rate is $0.06278 per therm in the rebate direction.

In this PGA filing, the Company has used the deferral and amortization balances as of June 30, 2025, inclusive of the residual amortization balance from the prior PGA, and proposed amortizing the balance over twelve (12) months which is consistent with historical PGA filings. The Company included forecasted amortization of the prior year rebate deferral balance from July 1, 2025 through October 31, 2025 being collected through Schedule 155, which increased the balance to be collected in the upcoming PGA year by approximately $0.2 million. The result is a rebate amortization rate to collect approximately $6.5 million from customers. On a per therm basis, the net impact of the expiring amortization surcharge and the new amortization rebate is a change in the amortization rate of $0.04544 per therm.

XII.

If approved as filed, the Company's annual revenue will decrease by approximately $6.5 million or 7.2% effective November 1, 2025. Residential or small commercial customers using an average of 66 therms per month would see a decrease of $4.13 per month, or approximately 6.4%. The present bill for 66 therms is $64.74 while the proposed bill is $60.61.

XIII.

Exhibit "D" attached hereto contains support workpapers for the Proposed Tariff Rates proposed by Applicant contained in Exhibit "A".

XIV.

Avista requests that the rates proposed in this filing be approved to become effective on November 1, 2025, and requests that the matter be processed under the Commission's Modified Procedure rules through the use of written comments. Avista stands ready for immediate consideration on this Application.

XV.

WHEREFORE, Avista requests the Commission issue its Order finding its proposed rates to be just, reasonable, and nondiscriminatory and to become effective for all natural gas service on and after November 1, 2025. The overall decrease is approximately $6.5 million or 7.2%. The Company requests that the matter be processed under the Commission's Modified Procedure rules through the use of written comments.

Dated at Spokane, Washington, this 31st day of July 2025.

AVISTA UTILITIES
BY

/s/ Patrick D. Ehrbar

Patrick D. Ehrbar
Director of Regulatory Affairs
Avista Corporation

AVISTA UTILITIES

Case No. AVU-G-25-07

EXHIBIT "A"

Proposed Tariff Sheets

SCHEDULE 150
PURCHASE GAS COST ADJUSTMENT - IDAHO

APPLICABLE:

To Customers in the State of Idaho where Company has natural gas service available.

PURPOSE:

To pass through changes in costs resulting from purchasing and transporting natural gas, to become effective as noted below.

RATE:

(a) The retail rates of firm gas Schedules 101, 111 and 112 are to be increased by 31.128¢ per therm in all blocks of these rate schedules.

(b) The rates of interruptible Schedules 131 and 132 are to be increased by 21.148¢ per therm.

(c) The rate for transportation under Schedule 146 is to be decreased by 0.000¢ per therm.

WEIGHTED AVERAGE GAS COST:

The above rate changes are based on the following weighted average cost of gas per therm as of the effective date shown below:

	Demand	Commodity	Total
Schedules 101	9.980¢	21.148¢	31.128¢
Schedules 111 and 112	9.980¢	21.148¢	31.128¢
Schedules 131 and 132	0.000¢	21.148¢	21.148¢

The above amounts include a gross revenue factor.

	Demand	Commodity	Total
Schedules 101	9.937¢	21.056¢	30.993¢
Schedules 111 and 112	9.937¢	21.056¢	30.993¢
Schedules 131 and 132	0.000¢	21.056¢	21.056¢

The above amounts do not include a gross revenue factor.

BALANCING ACCOUNT:

The Company will maintain a Purchase Gas Adjustment (PGA) Balancing Account whereby monthly entries into this Balancing Account will be made to reflect differences between the actual purchased gas costs collected from customers and the actual purchased gas costs incurred by the Company. Those differences are then collected from or refunded to customers under Schedule 155 – Gas Rate Adjustment.

Patrick D. Ehrbar

SCHEDULE 150
PURCHASE GAS COST ADJUSTMENT - IDAHO

APPLICABLE:

To Customers in the State of Idaho where Company has natural gas service available.

PURPOSE:

To pass through changes in costs resulting from purchasing and transporting natural gas, to become effective as noted below.

RATE:

(a) The retail rates of firm gas Schedules 101, 111 and 112 are to be increased by ~~32.845¢~~ per therm in all blocks of these rate schedules.

(b) The rates of interruptible Schedules 131 and 132 are to be increased by ~~23.850¢~~ per therm.

(c) The rate for transportation under Schedule 146 is to be decreased by 0.000¢ per therm.

WEIGHTED AVERAGE GAS COST:

The above rate changes are based on the following weighted average cost of gas per therm as of the effective date shown below:

	Demand	Commodity	Total
Schedules 101	~~8.995¢~~	~~23.850¢~~	~~32.845¢~~
Schedules 111 and 112	~~8.995¢~~	~~23.850¢~~	~~32.845¢~~
Schedules 131 and 132	0.000¢	~~23.850¢~~	~~23.850¢~~

The above amounts include a gross revenue factor.

	Demand	Commodity	Total
Schedules 101	~~8.961¢~~	~~23.760¢~~	~~32.721¢~~
Schedules 111 and 112	~~8.961¢~~	~~23.760¢~~	~~32.721¢~~
Schedules 131 and 132	0.000¢	~~23.760¢~~	~~23.760¢~~

The above amounts do not include a gross revenue factor.

BALANCING ACCOUNT:

The Company will maintain a Purchase Gas Adjustment (PGA) Balancing Account whereby monthly entries into this Balancing Account will be made to reflect differences between the actual purchased gas costs collected from customers and the actual purchased gas costs incurred by the Company. Those differences are then collected from or refunded to customers under Schedule 155 – Gas Rate Adjustment.

Patrick D. Ehrbar

AVISTA CORPORATION
d/b/a Avista Utilities

SCHEDULE 150
PURCHASE GAS COST ADJUSTMENT - IDAHO

APPLICABLE:

To Customers in the State of Idaho where Company has natural gas service available.

PURPOSE:

To pass through changes in costs resulting from purchasing and transporting natural gas, to become effective as noted below.

RATE:

(a) The retail rates of firm gas Schedules 101, 111 and 112 are to be increased by 31.128¢ per therm in all blocks of these rate schedules.

(b) The rates of interruptible Schedules 131 and 132 are to be increased by 21.148¢ per therm.

(c) The rate for transportation under Schedule 146 is to be decreased by 0.000¢ per therm.

WEIGHTED AVERAGE GAS COST:

The above rate changes are based on the following weighted average cost of gas per therm as of the effective date shown below:

	Demand	Commodity	Total
Schedules 101	9.980¢	21.148¢	31.128¢
Schedules 111 and 112	9.980¢	21.148¢	31.128¢
Schedules 131 and 132	0.000¢	21.148¢	21.148¢

The above amounts include a gross revenue factor.

	Demand	Commodity	Total
Schedules 101	9.937¢	21.056¢	30.993¢
Schedules 111 and 112	9.937¢	21.056¢	30.993¢
Schedules 131 and 132	0.000¢	21.056¢	21.056¢

The above amounts do not include a gross revenue factor.

BALANCING ACCOUNT:

The Company will maintain a Purchase Gas Adjustment (PGA) Balancing Account whereby monthly entries into this Balancing Account will be made to reflect differences between the actual purchased gas costs collected from customers and the actual purchased gas costs incurred by the Company. Those differences are then collected from or refunded to customers under Schedule 155 – Gas Rate Adjustment.

Issued July 31,2025 Effective November 1, 2025

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

Patrick D. Ehrbar

AVISTA CORPORATION
d/b/a Avista Utilities

SCHEDULE 155
GAS RATE ADJUSTMENT - IDAHO

AVAILABLE:

To Customers in the State of Idaho where Company has natural gas service available.

PURPOSE:

To adjust gas rates for amounts generated by the sources listed below.

MONTHLY RATE:

(a) The rates of firm gas Schedules 101 and 111 are to be decreased by 6.278¢ per therm in all blocks of these rate schedules.
(b) The rate of interruptible gas Schedule 131 is to be decreased by 0.000¢ per therm.
(c) The rate of transportation gas Schedule 146 is to be decreased by 0.000¢ per therm.

SOURCES OF MONTHLY RATE:

Changes in the monthly rates above result from amounts which have been accumulated in the Purchase Gas Adjustment (PGA) Balancing Account as described in Schedule 150 – Purchase Gas Cost Adjustment.

SPECIAL TERMS AND CONDITIONS:

The above Monthly Rate is subject to the provisions of Tax Adjustment Schedule 158.

Issued July 31, 2025 Effective November 1, 2025

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

Patrick D. Ehrbar

AVISTA CORPORATION
d/b/a Avista Utilities

SCHEDULE 155
GAS RATE ADJUSTMENT - IDAHO

AVAILABLE:

To Customers in the State of Idaho where Company has natural gas service available.

PURPOSE:

To adjust gas rates for amounts generated by the sources listed below.

MONTHLY RATE:

(a) The rates of firm gas Schedules 101 and 111 are to be decreased by ~~1.734¢~~ per therm in all blocks of these rate schedules.

(b) The rate of interruptible gas Schedule 131 is to be decreased by 0.000¢ per therm.

(c) The rate of transportation gas Schedule 146 is to be decreased by 0.000¢ per therm.

SOURCES OF MONTHLY RATE:

Changes in the monthly rates above result from amounts which have been accumulated in the Purchase Gas Adjustment (PGA) Balancing Account as described in Schedule 150 – Purchase Gas Cost Adjustment.

SPECIAL TERMS AND CONDITIONS:

The above Monthly Rate is subject to the provisions of Tax Adjustment Schedule 158.

Issued July 31, 2024 Effective November 1, 2024

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

Patrick D. Ehrbar

AVISTA CORPORATION
d/b/a Avista Utilities

SCHEDULE 155
GAS RATE ADJUSTMENT - IDAHO

AVAILABLE:
To Customers in the State of Idaho where Company has natural gas service available.

PURPOSE:
To adjust gas rates for amounts generated by the sources listed below.

MONTHLY RATE:
(a) The rates of firm gas Schedules 101 and 111 are to be decreased by 6.278¢ per therm in all blocks of these rate schedules.
(b) The rate of interruptible gas Schedule 131 is to be decreased by 0.000¢ per therm.
(c) The rate of transportation gas Schedule 146 is to be decreased by 0.000¢ per therm.

SOURCES OF MONTHLY RATE:
Changes in the monthly rates above result from amounts which have been accumulated in the Purchase Gas Adjustment (PGA) Balancing Account as described in Schedule 150 – Purchase Gas Cost Adjustment.

SPECIAL TERMS AND CONDITIONS:
The above Monthly Rate is subject to the provisions of Tax Adjustment Schedule 158.

Issued July 31, 2025 Effective November 1, 2025

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Patrick D. Ehrbar