



Investor-Owned Utilities (like Avista)

Public Utilities

Ownership	Shareholders or investors	A government body or customers/members of the utility
Rates	Rates are set or approved and regulated by state public utility commissions through a rigorous public process that includes customer participation	Rates are set or approved by each utility's governing body such as a board of commissioners or city council. This may include a member or public participation process.
Financing (where utilities get money for operations)	Stockholders (investors), the sale of bonds and borrowing from the bank	PUDs: Access tax-free bonds Co-ops: Access low-interest loans from the Rural Utilities Services (RUS) or National Rural Utilities Cooperative Finance Corporation
Generation	Avista owns its own hydroelectric, biomass, coal and natural gas generation facilities and has contracts to purchase power, including wind power, from market suppliers. (Purchased power meets 25 percent of Avista's customer needs.	Power is primarily purchased from the Bonneville Power Administration (BPA). Some utilities operate their own hydroelectric dams and other generation facilities.
Profits and net revenue	Rates are approved by state utility commissions to recover costs and earn a reasonable return or profit for investors.	Rates are set to recover costs and earn additional return to maintain bond ratings and invest in new facilities.