



Avista Corp.

1411 East Mission P.O. Box 3727
Spokane, Washington 99220-0500
Telephone 509-489-0500
Toll Free 800-227-9187

May 29, 2026

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

Re: Avista Utilities Schedule 191 – Natural Gas Service Energy Efficiency Rate Adjustment

Dear Mr. Killip:

Attached for electronic filing with the Commission is an electronic copy of Avista Corporation's, dba Avista Utilities (Avista or the Company), proposed revisions to the following natural gas tariff sheet, WN U-29:

Twenty-Sixth Revision Sheet 191 Canceling Twenty-Fifth Revision Sheet 191

The Company's natural gas tariff rider mechanism is designed to match future revenue with budgeted expenditures. To ensure appropriate recovery, the mechanism includes a true-up feature that reconciles the previous periods' actual expenditures and collections.

As of April 30, 2026, Avista's Schedule 191, Demand Side Management (DSM) Rate Adjustment, or "tariff rider", balance was approximately \$9.5 million underfunded. According to actual tariff rider balances and a forecast of expected revenues and expenditures through July 2027,¹ the current rates being collected through Avista's tariff rider are insufficient to fund both the ongoing Energy Efficiency Program operations, as well as to recover previous expenditures. Similar to the primary driver for the Company's 2025 rate filing,² Avista continues to see increases

¹ See attached workpapers.

² See Docket No. UG-250418.

in incentive expenditures directly related to pursuing higher customer participation in natural gas energy efficiency programs, combined with a downward trend in savings per measure. This results in overall higher costs to implement programs and a higher cost per therm to achieve savings year over year. While Avista's natural gas portfolio remains cost-effective, these trends of higher costs and lower savings per measure are expected to continue into the foreseeable future, especially given the continued vacillation and uncertainty surrounding federal tariffs, interest rates, fuel policy, and overall economic outlook for the second half of 2026 and into 2027.

For the reasons mentioned above, Avista hereby requests the Commission approve a proposed increase in rates and charges in Schedule 191. The estimated annual revenue change associated with this filing is an increase of approximately \$6.3 million, or an increase of 2.4% in overall billed rates to be effective August 1, 2026. The proposed rate will have an average monthly bill impact to residential natural gas customers (using 61 therms) of \$2.41, or 2.6%, to their bill. The proposed rate change will vary based on a customer's usage and service schedule.

The Company has provided as attachments to this filing a copy of its customer notice which will be included as a bill insert in the June cycle, as well as the Company's workpapers supporting this proposal.

If you have any questions regarding this filing, please contact Austin Oglesby, Energy Efficiency Analyst, at (509) 495-2597 or Joe Miller, Sr. Mgr. Rates and Tariffs, at (509) 495-4546.

Sincerely,

/s/ Jaime St Peter

Jaime St Peter
Regulatory Affairs Manager

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 191

DEMAND SIDE MANAGEMENT RATE ADJUSTMENT - WASHINGTON

APPLICABLE:

To Customers in the State of Washington where the Company has natural gas service available. This Demand Side Management Rate Adjustment or Rate Adjustment shall be applicable to all retail customers taking service under Schedules 101, 111, 112, 116, 131, and 132. This Rate Adjustment is designed to recover costs incurred by the Company associated with providing Demand Side Management services and programs to customers.

MONTHLY RATE:

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

Schedule 101	\$0.12899 per Therm
Schedule 111, 112 & 116	\$0.05767 per Therm
Schedule 131 & 132	\$0.04228 per Therm

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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 May 29, 2026

Effective August 1, 2026

Issued by Avista Corporation

By

Patrick Ehrbar, Director of Regulatory Affairs

