



Avista Corp.

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May 30, 2025

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-Fifth Revision Sheet 191 Canceling Substitute Twenty-Fourth 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, 2025, Avista's Schedule 191—Demand Side Management (DSM) Rate Adjustment—tariff rider balance was approximately \$6.6 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. The primary driver of the underfunded balance is an increase in incentive expenditures directly related to higher customer participation in our programs, combined with a downward trend in

¹ See attached workpapers.

savings per measure, resulting in overall higher costs to implement programs. 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 uncertainty around federal tariffs, interest rates, fuel policy, and overall economic outlook for the second half of 2025 and into 2026.

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 \$6.0 million, or an increase of 2.2% in overall billed rates to be effective August 1, 2025. The proposed rate will have an average monthly bill impact to residential natural gas customers (using 66 therms) of \$2.55, or 2.8%, to their bill. The proposed rate change will vary based on a customer's usage and service schedule.

The Company provided the proposed tariff rider balance rate change to its Advisory Group on Monday, May 13, 2024, and received no additional comments.

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

If you have any questions regarding this filing, please contact Kim Boynton, Manager, Energy Efficiency Analytics, at (509) 495-4744.

Sincerely,

/s/ Jaime Majure

Jaime Majure
Regulatory Affairs Manager
Avista Utilities