



**Avista Corp.**

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September 1, 2023

Ms. Amanda Maxwell  
Executive Director and Secretary  
Washington Utilities & Transportation Commission  
621 Woodland Square Loop SE  
Lacey, WA 98503

Re: Tariff WN U-28, Electric Service  
Residential and Small Farm Energy Rate Adjustment Credit

Dear Ms. Maxwell:

Attached for electronic filing with the Commission is the following tariff sheet proposed to be effective November 1, 2023:

**Twenty-first Revision Sheet 59 Canceling the Twentieth Revision Sheet 59**

The proposed tariff sheet reflects a rate adjustment to decrease the rebate related to Residential Exchange Program benefits the Company receives from the Bonneville Power Administration. The Residential Exchange Program provides a share of the benefits of the federal Columbia River power system to the residential and small-farm customers of the six investor utilities of the Pacific Northwest including Avista.

Under the current Residential Exchange rate adjustment, approximately \$11.0 million annually is being passed through to applicable customers through a uniform 0.426¢ per kilowatt-hour rate credit. The current rate was approved by the Washington Utilities and Transportation Commission effective November 1, 2022.

The proposed rate credit of 0.386¢ per kilowatt-hour is designed to pass through approximately \$10.3 million which represents the Washington portion of the annual level of benefits Avista will receive starting in October 2023. That amount is offset by an over-refunded balance from the prior year, which is due to actual usage being higher than what was projected in the Company's 2022 filing. The Company is therefore proposing an overall revenue increase of \$1.1 million or 0.2%. The change in rate credit has no effect on Avista's net income.

Enclosed is a set of workpapers that shows the derivation of the proposed 0.386¢ per kilowatt-hour rate credit proposed to be effective November 1, 2023. The average residential customer using 932

kWhs per month will see an increase of \$0.37 per month, or approximately 0.4%. The present bill for 932 kWhs is \$87.53 while the proposed bill is \$87.90. The actual change will vary based on customer usage.

The Company has included workpapers with its filing which supports the Company's request. Also, the Company has provided in this filing a copy of its customer notice which will be included as a bill insert in the September – October time frame. Please direct any questions regarding this filing to Tia Benjamin at (509) 495-2225.

Sincerely,

*/s/ Patrick Ehrbar*

Patrick D. Ehrbar  
Director of Regulatory Affairs

Enclosures



AVISTA CORPORATION  
dba Avista Utilities

## SCHEDULE 59

### RESIDENTIAL AND FARM ENERGY RATE ADJUSTMENT - WASHINGTON

#### APPLICABLE:

To Residential Customers in the State of Washington where Company has electric service available. This rate adjustment results from an Agreement between the Company and Bonneville Power Administration (BPA) covering Residential Exchange Program benefits. The rate adjustment in this schedule shall be applicable to customers served under Schedules 1, 12, 22, 32 and 48.

#### MONTHLY RATE:

The energy charges for all blocks of electric Schedules 1, 12, 22 and 32 and the charges for area lights based on the energy usages of the lights on Schedule 48 are to be decreased by 0.386¢ per kWh. (I)

#### SPECIAL TERMS AND CONDITIONS:

The rate adjustment under this schedule is subject to revision to reflect the true up from estimated to actual benefits and to reflect projected future benefits. In the event the credits applied under this schedule vary from the benefits, the Company will adjust the rate on this schedule to recover or pass through that difference. The carrying charge on the Residential Exchange deferral balance is a money market carrying charge.

The energy credit applied to Schedule 32 for farm irrigation and pumping load, for each billing period, shall not exceed the amount of energy determined by the following formula:

$$400 \times 0.746 \times \text{days in the billing period} \times 24$$

In no instance shall any qualifying irrigation and pumping load for any month exceed 222,000 kWh.

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

The above rate is subject to the provisions of Tax Adjustment Schedule 58.

Issued September 1, 2023

Effective November 1, 2023

Issued by Avista Corporation  
By

Patrick Ehrbar – Director of Regulatory Affairs



## **Important Notice for Washington Electric and Natural Gas Customers September-October 2023**

On September 1, 2023, Avista filed its annual Bonneville Power Administration (BPA) Residential Exchange Program, Wildfire Expense Balancing Account, Insurance Expense Balancing Account, Low Income Rate Assistance Program (LIRAP) and Purchased Gas Cost Adjustment filings with the Washington Utilities and Transportation Commission (UTC or Commission). If approved, new rates would take effect Nov. 1, 2023

The first rate adjustment, the BPA Residential Exchange Program, provides a share of the benefits of the federal Columbia River power system to the residential and small farm customers of the investor-owned utilities in the Pacific Northwest, including Avista. Avista applies the benefits it receives to qualifying customers as a credit in their monthly electric rates. Due to fluctuations in usage, Avista rebated to customers a level of benefits that was higher than the level of benefits received from BPA. Through this filing Avista is seeking to slightly decrease the level of benefits provided to qualifying customers in order to return the over-rebated balance. As a result, the proposed revenue increase for these customers is approximately \$1.1 million, or 0.2%.

The second, Wildfire Expense Balancing Account, tracks the difference in wildfire expenses incurred by Avista to address the growing frequency of extreme and dangerous wildfires in Avista's service territory to the base expense approved by the Commission. The difference is rebated to or collected from customers through Schedule 88 – Wildfire Expense Balancing Account. The rate increase proposed reflects the higher level of expense incurred above the approved amount. If approved, Avista's request is designed to increase electric revenues by \$3.3 million or 0.6%.

The third, Insurance Expense Balancing Account, tracks the difference in insurance expenses incurred by Avista to the base expense approved by the Commission. The difference is rebated to or collected from customers through Schedule 66 – Insurance Expense Balancing Account for electric customers and Schedule 166 – Insurance Expense Balancing Account for natural gas customers. The rate change proposed reflects the higher level of expense incurred above the approved amount for electric customer and a lower level of expense for natural gas customers. If approved, Avista's request is designed to increase electric revenues by \$87 thousand or 0.0% and decrease natural gas revenues by \$10 thousand or 0.0%.

The fourth is related to Avista's Low Income Rate Assistance Program (LIRAP), which provides bill assistance to income eligible customers with a household income less than or equal to 200% Federal Poverty Level (FPL) or 80% Area Median Income (AMI), whichever is greater. This rate increase is necessary to support the introduction of an income-based bill discount – which will replace the prior grant-based LIRAP, effective October 1, 2023 – as well as offerings intended to help customers manage their past due balances, or arrearages. This new bill assistance model will expand LIRAP to serve more customers than ever before, therefore requiring increased funding to do so. If approved, Avista's request is designed to increase electric revenues by \$7.6 million or 1.3% and increase natural gas revenues by \$4.6 million or 1.7%.

The fifth is Avista's Purchased Gas Cost Adjustment (PGA). PGAs are filed each year to balance the actual cost of wholesale natural gas purchased by Avista to serve customers with the amount included in rates. This includes the natural gas commodity cost as well as the cost to transport natural gas on interstate pipelines to Avista's local distribution system. The proposed rate change is primarily due to lower forward wholesale natural gas prices than those currently included in rates and a reduction in the current surcharge amortization rate in effect. These reductions were partially offset by increased wholesale natural gas costs during the past year, which were higher than the amount collected through rates. If approved, Avista's request is designed to decrease natural gas revenues by \$8.1 million or 3.0%.

**Change in Rates** - If approved by the Commission, residential electric customers in Washington using an average of 932 kilowatt hours/month would see their monthly bills change from \$87.53 to \$89.88, an increase of \$2.35/month, or approximately 2.7%. Residential natural gas customers in Washington using an average of 67 therms per month would see their monthly bills change from \$96.78 to \$92.13, a decrease of \$4.65 per month, or approximately 4.8%, when compared to rates currently in effect.

The percentage change varies by rate schedule and depends on how much energy a customer uses. If approved, customers would see the following rate adjustments:

### **Electric Rate Change**

#### **Proposed Schedule 1 Residential Rates (effective Nov. 1, 2023)**

Electric Service	Current Billing Rate	Proposed Change	Proposed Billing Rates
Basic Charge	\$9.00	\$0.00	\$9.00
First 800 kWhs/month	\$0.08216/kWh	\$0.00252/kWh	\$0.08468/kWh
Next 700 kWhs/month	\$0.09697/kWh	\$0.00252/kWh	\$0.09949/kWh
Over 1,500 kWhs/month	\$0.11518/kWh	\$0.00252/kWh	\$0.11770/kWh

#### **Proposed Electric Rate Change by Schedule (effective Nov. 1, 2023)**

Schedule No.	Rate Schedule	% Change in Billed Revenue
1/2	Residential	2.6%
11/12/13	General Service	1.6%
21/22/23	Large General Service	1.8%
25/25I	Ex. Lg. General Service	1.3%
31/32	Pumping Service	2.7%
41-48	Street and Area Lights	2.4%
<b>Overall</b>		<b>2.1%</b>

### **Natural Gas Rate Change**

#### **Proposed Schedule 101 Rates (effective Nov. 1, 2023)**

Natural Gas Service	Current Billing Rate	Proposed Change	Proposed Billing Rates
Basic Charge	\$9.50	\$0.00	\$9.50
First 70 therms/month	\$1.30274/therm	(\$0.06940)/therm	\$1.23334/therm
Over 70 therms/month	\$1.43736/therm	(\$0.06940)/therm	\$1.36796/therm

#### **Proposed Natural Gas Rate Increase by Schedule (effective Nov. 1, 2023)**

Schedule No.	Rate Schedule	% Change in Billed Revenue
101/102	General Service	-4.5%
111/112	Large General Service	10.2%
131/132	Interruptible Sales Service	-18.9%
146	Transportation Service	-0.1%
<b>Overall</b>		<b>-1.3%</b>

The Company's request is a proposal, subject to public review and a Commission decision. The Commission has the authority to set final rates that may vary from the utility's request, which may be either higher or lower depending on the results of the investigation. You may contact the UTC to inquire about the Commission process, or to be notified about the scheduled open meetings at which the proposal will be considered. You can contact the Commission to comment on Avista's rate proposals via email at [comments@utc.wa.gov](mailto:comments@utc.wa.gov), by telephone at 1-888-333-WUTC (9882), via letter at: UTC, P.O. Box 47250, Olympia, WA 98504-7250, or online at: [www.utc.wa.gov](http://www.utc.wa.gov). Copies of the applications are available for public review on the Commission website.

Copies of our filings are available for public review at [www.myavista.com/rates](http://www.myavista.com/rates) or on the Commission website at [www.utc.wa.gov](http://www.utc.wa.gov). You can also submit written questions directly to the Company via mail at: 1411 E Mission Ave, C/O Regulatory Affairs, Spokane, WA 99202.

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