

Important Notice for Idaho Customers

July 2021

Avista has filed two rate adjustment requests with the Idaho Public Utilities Commission (Commission), that if approved, are designed to increase overall natural gas revenue by approximately \$7.1 million or 10.6% effective Sept. 1, 2021. These filings have no impact on Avista's earnings.

The **first** adjustment is related to the annual Purchased Gas Cost Adjustment (PGA) filing. The PGA is 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 increase is primarily driven by two factors: 1) wholesale natural gas costs that are higher than the level presently included in rates, and 2) the expiration of a rebate customers are currently receiving from last year's PGA. If approved, Avista's request is designed to increase annual natural gas revenues by approximately \$9.0 million or 13.5%.

The **second** filing is the Deferred Balances Credit filing. This filing returns to customers deferred balances related to depreciation expense, Accumulated Funds Used During Construction (AFUDC), and CARES Act benefits. If approved, Avista's request is designed to decrease natural gas revenues by approximately \$1.9 million or 2.9%.

These rate adjustment filings are separate and distinct from the Settlement Stipulation filed on June 14, 2021, related to the pending general rate case filing, that, if approved, would reduce customer's natural gas bills by an overall 4.5%, also on Sept. 1, 2021.

Customer Bills

Natural Gas

If the natural gas PGA and the Deferred Balances Credit filings are approved, residential natural gas customers in Idaho using an average of 63 therms per month would see their monthly bills increase from \$49.49 to \$54.05, an increase of \$4.56 per month, or approximately 9.2%. The proposed natural gas rate changes would be effective Sept. 1, 2021.

The net effect, on an annual revenue basis, for the requested natural gas rate changes by rate schedule are:

Proposed Natural Gas Rate Change by Schedule (effective Sept. 1, 2021)

Schedule No.	Rate Schedule	% Increase in Billed Revenue
101	General Service	9.2%
111/112	Large General Service	16.3%
146	Transportation Service	-2.9%
	Overall	10.6%

Rate Application Procedure

The Company's applications are proposals, subject to public review and a Commission decision. Copies of the applications are available for public review at the offices of both the Commission and Avista, and on the Commission's website (www.puc.idaho.gov). Customers may file with the Commission written comments related to the Company's filings. Customers may also subscribe to the Commission's RSS feed (<http://www.puc.idaho.gov/rssfeeds/rss.htm>) to receive periodic updates via e-mail about the case. Copies of rate filings are also available on our website, www.myavista.com/rates.

If you would like to submit comments on the proposed rate change, you can do so by going to the Commission website or mailing comments to:

Idaho Public Utilities Commission
P.O. Box 83720
Boise, ID 83720-0074

Avista offers a number of programs and services to help customers manage their energy use and costs. Visit www.myavista.com for information on these programs which include Comfort Level Billing, bill payment options, automated payment service, assistance programs, conservation tips, and energy efficiency rebates.