

Important Notice for Idaho Natural Gas Customers

(May 2022)

Avista has filed a Purchased Gas Cost Adjustment (PGA) rate adjustment request with the Idaho Public Utilities Commission (Commission), that if approved, is designed to increase overall natural gas revenue by approximately \$8.3 million or 10.5% effective July 1, 2022. This filing has no impact on Avista's earnings.

The PGA is typically filed annually to balance the actual cost of wholesale natural gas purchased by Avista to serve customers with the amount presently included in customer's rates. PGAs ensure that customers pay what Avista pays for natural gas, only at a more predictable and stable rate throughout the year.

Since the last PGA was filed in late 2021, the price of wholesale natural gas has continued to rise. Due to this increase of wholesale natural gas prices, Avista is proposing a rate adjustment that more closely aligns the actual cost of what Avista is presently paying for wholesale natural gas with the cost of natural gas included in customer rates.

About 40% of an Avista natural gas customer's bill is the combined cost of purchasing natural gas on the wholesale market and transporting it to Avista's system. These costs fluctuate up and down based on market prices, of which Avista cannot control. Importantly, Avista does not make a profit on, or markup, the wholesale cost of natural gas; what Avista pays is what is passed through to customers, dollar for dollar.

Natural Gas Customer Bills

If approved, residential natural gas customers in Idaho using a monthly average of 63 therms would see their bills increase \$5.44 or approximately 9.7%, from \$55.86 to \$61.30 per month effective July 1, 2022.

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Net effect on an annual revenue basis by rate schedule would be:

Schedule No.	Rate Schedule	Change in Billed Revenue
101	General Service Schedule	9.7%
111	Large General Service Schedule	13.8%
112	Large General Service Schedule	14.9%
146	Transportation Service Schedule	0.0%
	Overall	10.5%

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 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 (<https://puc.idaho.gov/RssPage>) 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.

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