

Important Notice for Washington Natural Gas Customers

(May 2022)

On April 29, 2022, Avista filed a Purchased Gas Cost Adjustment (PGA) rate adjustment request with the Washington Utilities and Transportation Commission (UTC or Commission), that if approved, is designed to increase overall natural gas revenue by approximately \$23.0 million or 12.6% 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. Avista made its annual PGA filing Aug. 31, 2021 and new rates went into effect on Nov. 1, 2021.

Since that time, 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.

Change in Rates - If approved by the Commission, residential natural gas customers in Washington using an average of 67 therms per month would see their monthly bills change from \$64.86 to \$72.66, an increase of \$7.80 per month, or approximately 12.0%.

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:

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Natural Gas Rate Change
Proposed Schedule 101 Rates (effective July 1, 2022)

Natural Gas Service	Current Bill Rate	Proposed Change	Proposed Bill Rates
Basic Charge	\$9.50	\$0.00	\$9.50
First 70 Therms/Month	\$0.82621/therm	\$0.11644/therm	\$0.94265/therm
Over 70 Therms/Month	\$0.94919/therm	\$0.11644/therm	\$1.06563/therm

Proposed Natural Gas Rate Change by Schedule
(effective July 1, 2022)

Schedule No.	Rate Schedule	Change in Billed Revenue
101/102	General Service Schedule	11.7%
111/112	Large General Service Schedule	17.0%
131/132	Interruptible Sales Service Schedule	19.8%
146	Transportation Service Schedule	0.0%
	Overall	12.6%

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, 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. 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 or on the Commission website at 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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