

Important Notice for Washington Electric Customers

(April 2023)

On March 31, 2023, Avista filed a rate request with the Washington Utilities and Transportation Commission (Commission) to increase electric rates to qualifying customers effective July 1, 2023. The request reflects a rate adjustment to recover from customers certain deferred power supply costs tracked in the Company's Energy Recovery Mechanism (ERM).

Under the mechanics of the Commission-approved ERM, if Avista has a deferral balance of at least \$30 million due to higher or lower power supply costs, Avista is required to either surcharge, or rebate, that deferred balance to customers. In 2022, the Company experienced higher power supply costs due in part to an increase in customer usage related to significant temperature fluctuations, as well as higher wholesale electric and natural gas commodity costs. The combination of those items led to a total ERM balance of \$34.6 million. The Company's filing seeks to recover that balance, which includes the associated interest, from customers effective July 1, 2023 over a 12 month period.

The net overall rate impact to customers is an increase of 6.0 percent. The proposed rate increase by schedule is shown below:

Proposed Rate Change by Schedule:

Schedule No.	Rate Schedule	Change in Billed Revenue
1/2	Residential	6.0%
11/12	General Service Schedule	4.3%
21/22	Large General Service Schedule	5.8%
25/Sp Ct	Ext. Large General Service Schedule	9.1%
31/32	Pumping Service Schedule	7.0%
41-48	Street and Area Lights Schedule	1.4%
	Overall	6.0%

The percentage change for electric customers varies by rate schedule and depends on how much energy a customer uses. An average residential customer using 932 kWhs per month will see an increase of \$5.60 per month, or approximately 6.3%. The present bill for 932 kWhs is \$88.82 while the proposed bill is \$94.42. The actual change will vary based on customer usage. If approved, customers would see the following rate adjustments:

Proposed Schedule 1 Residential Rates:

Electric Service	Current Billing Rate	Proposed Change	Proposed Billing Rates
Basic Charge	\$9.00	\$0.00	\$9.00
First 800 kWhs/month	\$0.08355/kWh	\$0.00601/kWh	\$0.08956/kWh
Next 700 kWhs/month	\$0.09836/kWh	\$0.00601/kWh	\$0.10437/kWh
Over 1,500 kWhs/month	\$0.11657/kWh	\$0.00601/kWh	\$0.12258/kWh

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 rate requests are available for public review on the Commission website, at the Company offices located at: 1411 E. Mission Ave, C/O Regulatory Affairs, Spokane, WA 99202, as well as on our website at www.myavista.com/rates.