

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. The WUTC is committed to providing reasonable accommodations for participants with disabilities. If you need reasonable accommodations to participate in this open meeting (or public comment hearing, workshop, etc.) please contact the Commission at 888-333-9882 or email at Consumer@utc.wa.gov. 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.

Important Notice for Washington Electric and Natural Gas Customers

(June 2023)

On May 31, 2023, Avista made annual rate adjustment filings with the Washington Utilities and Transportation Commission (UTC or Commission) that if approved, are designed to decrease overall electric revenues by approximately \$14.6 million or 2.5% and decrease overall natural gas revenue by approximately \$4.0 million or 1.6%. If approved, new rates would take effect Aug. 1, 2023

The first rate adjustment is related to Avista's electric and natural gas decoupling mechanisms. Decoupling is designed to break the link between utility revenues and customer energy usage. Generally, Avista's electric and natural gas revenues are adjusted each month based on the number of customers instead of kilowatt hour and therm sales. The difference between revenues based on sales and revenues based on the number of customers is surcharged or rebated to customers beginning in the following year. The rate adjustments are designed to decrease revenues by \$17.3 million or 3.0% for electric operations and decrease revenues by \$3.8 million or 1.5% for natural gas operations. These rate adjustments are partly driven by fluctuations in the level of electric (cooling) and natural gas (heating) usage during the summer and winter seasons. These filings do not otherwise address any changes in customer usage that has occurred in 2023; those changes will be addressed in filings next year.

The second rate adjustment is related to the Participatory Funding Program, required by Washington State law, that requires Avista provide funding to organizations that provide representation to broad customer interests in proceedings before the Commission and collect those amounts from customers on an annual basis. The rate adjustments are designed to increase revenues by \$0.1 million or 0.02% for electric operations and increase

revenues by \$0.1 million or 0.02% for natural gas operations. These rate adjustments are driven by the level of funding paid to the Participatory organizations and have no effect on Avista’s net income.

The third adjustment is Avista’s Renewable Energy Credit (REC) rate applicable to electric customers. Currently, Avista is rebating approximately \$3.6 million to customers, annually. In the present filing, Avista is proposing to adjust the REC Revenue rebate to reflect a decrease in the projected net REC revenues for the August 2023 – July 2024 time period. That amount is \$1.0 million. The net effect of the new and expiring REC rebate is an increase in revenue of approximately \$2.6 million, or 0.5%. The change in the rate credit has no effect on Avista’s net income.

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 \$88.82 to \$84.68, a decrease of \$4.14/month, or approximately 4.7%. Residential natural gas customers in Washington using an average of 67 therms per month would see their monthly bills change from \$98.99 to \$96.78, a decrease of \$2.21 per month, or approximately 2.2%.

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 Aug. 1, 2023)**

Electric Service	Current Billing Rate	Proposed Change	Proposed Billing Rates
Basic Charge	\$9.00	\$0.00	\$9.00
First 800 kWhs/ month	\$0.08355/ kWh	\$(0.00444)/ kWh	\$0.07911/ kWh
Next 700 kWhs/ month	\$0.09836/ kWh	\$(0.00444)/ kWh	\$0.09392/ kWh
Over 1,500 kWhs/ month	\$0.11657/ kWh	\$(0.00444)/ kWh	\$0.11213/ kWh

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

Schedule No.	Rate Schedule	% Change in Billed Revenue
1/2	Residential	-4.3%
11/12/13	General Service	-1.4%
21/22/23	Large General Service	-1.7%
25/251	Ex. Lg. General Service	0.7%
31/32	Pumping Service	-2.0%
41-48	Street and Area Lights	0.1%
	Overall	-2.6%

**Natural Gas Rate Change
Proposed Schedule 101 Rates
(effective Aug. 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	\$1.33571/ therm	\$(0.03298)// therm	\$1.30273/ therm
Over 70 therms/ month	\$1.47033/ therm	\$(0.03298)// therm	\$1.43735/ therm

**Proposed Natural Gas Rate Change by Schedule
(effective Aug. 1, 2023)**

Schedule No.	Rate Schedule	% Change in Billed Revenue
101/102	General Service	-2.4%
111/112	Large General Service	1.2%
131/132	Interruptible Sales Service	0.0%
146	Transportation Service	0.4%
	Overall	-1.5%