

Important Notice for Washington Electric Customers

April/May 2026

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 WUTC 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 **(888) 333-WUTC (9882)**, via letter at: WUTC, P.O. Box 47250, Olympia, WA 98504-7250, or online at:

utc.wa.gov. Copies of the applications are available for public review on the Commission website.

Avista offers a number of programs and services to help customers manage their energy use and costs. Visit **myavista.com** or call **(800) 227-9187** for information on these programs which include Comfort Level Billing, bill payment options, automated payment service, assistance programs such as My Energy Discount, conservation tips, and energy efficiency rebates. Copies of our filings are available for public review at **myavista.com/rates** or on the Commission website at **utc.wa.gov**. You can also submit written questions directly to the Company via mail at: 1411 E Mission Ave, C/O Regulatory Affairs MSC-27, Spokane, WA 99202.

On March 31, 2026, Avista filed its annual Energy Recovery Mechanism (ERM) Schedule 93 and an offsetting Colstrip Rebate Filing Schedule 99 with the Washington Utilities and Transportation Commission (WUTC or Commission). If approved, Avista's request is designed to increase electric revenues by \$66.6 million or 5.9% and new rates would take effect July 1, 2026.

The first rate adjustment, the ERM, is a mechanism that tracks the difference between actual power supply-related costs experienced by Avista to the authorized level approved by the Commission. Under the mechanics of the Commission-approved ERM, if Avista has a cumulative deferral balance of \$30 million or higher, Avista is required to either surcharge, or rebate, that deferred balance to customers. In 2025, the primary driver of increased power supply costs experienced by the Company were volatile market pricing and reduced hydroelectric generation due to lower-than-expected precipitation and snowpack. Increased costs in 2025, along with the accumulation of prior years' ERM balances that have not yet been passed through to customers, has resulted in the need to recover an additional ERM balance of \$72.6 million over the amount currently being recovered from customers.

The second rate adjustment, the Colstrip rebate, is designed to provide a customer refund of calendar 2025 over-collected amounts consistent with the direction in Final Order 08 of Docket UE-240891. The refund to customers is partially offset by the Colstrip 2026 on-going decommissioning and remediation costs subject to recovery from customers in 2026, for an overall net refund of \$6.0 million, or 2.9%. The proposed effective period to return the net refund to customers is the three-month period July 1, 2026, through September 30, 2026.

The combined effect of the ERM balance proposed in this filing, and the rebate from the Colstrip filing, is a net increase in revenue of \$66.6 million, or 5.9% effective July 1, 2026. After the three-month period the Colstrip rebate will expire and customers will experience an increase in revenue of \$6.0 million, or 2.9% on October 1, 2026. The proposed rate change by schedule is shown below:

Proposed Rate Change by Schedule:

| Schedule No. | Rate Schedule | Change in Billed Revenue July 1, 2026 | Change in Billed Revenue Oct. 1, 2026 |
|----------------|-------------------------|--|--|
| 1/7/8 | Residential | 5.6% | 3.0% |
| 11/12/13/17/18 | General Service | 3.9% | 3.0% |
| 21/22/23 | Large General Service | 5.8% | 3.0% |
| 25/Sp Ct | Ex. Lg. General Service | 10.2% | 2.5% |
| 30/31/32 | Pumping Service | 6.2% | 2.8% |
| 42-48 | Street and Area Lights | -1.0% | 3.0% |
| | Overall | 5.9% | 2.9% |

The percentage change for electric customers varies by rate schedule and depends on how much energy a customer uses. An average residential customer using 925 kWhs per month will see an increase of \$6.59 per month, or approximately 5.3% effective July 1, 2026. The present bill for 925 kWhs is \$124.23 while the proposed bill is \$130.82. After the three-month Colstrip rebate expires an average residential customer will see an increase of \$4.46 per month, or approximately 3.4% effective October 1, 2026. The present bill of \$130.82 will increase to \$135.28. If approved, customers would see the following rate adjustments:

Proposed Schedule 1 Residential Rates:

| Electric Service | Current Billing Rate | Proposed Change July 1, 2026 | Proposed Billing Rates | Proposed Change Oct. 1, 2026 | Proposed Billing Rates |
|-----------------------|----------------------|---------------------------------|------------------------|---------------------------------|------------------------|
| Basic Charge | \$10.00 | \$0.00 | \$10.00 | \$0.00 | \$10.00 |
| First 800 kWhs/month | \$0.12105/kWh | \$0.00712/kWh | \$0.12817/kWh | \$0.00482/kWh | \$0.13299/kWh |
| Next 700 kWhs/month | \$0.13910/kWh | \$0.00712/kWh | \$0.14622/kWh | \$0.00482/kWh | \$0.15104/kWh |
| Over 1,500 kWhs/month | \$0.16132/kWh | \$0.00712/kWh | \$0.16844/kWh | \$0.00482/kWh | \$0.17326/kWh |