Important Notice for Washington Electric and Natural Gas Customers

September 2026

On August 31, 2026, Avista filed annual rate adjustments with the Washington Utilities and Transportation Commission (UTC or Commission). If approved, customers' natural gas rates would decrease by $34.3 million or 11.5%, and electric rates would decrease by twenty thousand dollars or 0.0%. If approved by the Commission, new rates would take effect Nov. 1, 2026.

The three natural gas adjustments that were filed are:

1. Purchased Gas Cost Adjustment: decrease of $1.3 million or 0.5%
2. Climate Commitment Act: decrease of $32.8 million or 11.0%
3. Insurance Expense Balancing: decrease of $0.1 million or 0.05%

The three electric adjustments that were filed are:

1. Residential Exchange Program: decrease of $0.1 million or 0.01%
2. Insurance Expense Balancing: decrease of $0.4 million or 0.05%
3. Clean Energy Implementation Plan: increase of $0.5 million or 0.06%

A description of each of the rate adjustments is as follows:

Purchased Gas Cost Adjustment (Natural Gas)

The Purchased Gas Cost Adjustment (PGA) is filed each year to balance the actual cost of wholesale natural gas purchased by Avista to serve customers with the amount included in rates. This includes the natural gas commodity cost as well as the cost to transport natural gas on interstate pipelines to Avista's local distribution system. These rate adjustments are driven primarily by lower wholesale natural gas prices observed during this past winter, which were below the amounts included in rates.

Climate Commitment Act Adjustment (Natural Gas)

The Climate Commitment Act (CCA) adjustment is filed annually to reconcile actual CCA compliance costs with

Proposed Electric Rate Change by Schedule (effective Nov. 1, 2026)

Schedule No.	Rate Schedule	% Change Billed Revenue
1/7/8	Residential	0.0%
11/12/13/17/18	General Service	0.0%
21/22/23	Large General Service	0.0%
25/25I	Ex. Lg. General Service	0.0%
31/32	Pumping Service	0.0%
42-48	Street and Area Lights	0.0%
Overall		**0.0%**

The Company's requests are proposals, subject to public review and a Commission decision. The Commission has the authority to set final rates that may vary from the utility's requests, 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 accommodation 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.

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 **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 MSC-27, Spokane, WA 99202.

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the amounts currently included in rates. The adjustment also updates the CCA Benefits returned to customers from the consignment of no-cost allowances allocated by the Washington Department of Ecology and sold at auction. State law requires that these revenues, at a minimum, eliminate any CCA cost burden for low-income customers. Locations connected to the natural gas system after July 25, 2021, are not eligible to receive CCA Benefits.

Insurance Expense Balancing Account Adjustment (Electric and Natural Gas)

Avista's Insurance Expense Balancing Account tracks the difference between actual insurance expenses incurred by Avista and the base level of insurance expense approved by the Commission in a prior general rate case. The difference is rebated to, or collected from, customers through Schedule 66 – Insurance Expense Balancing Account for electric customers and Schedule 166 – Insurance Expense Balancing Account for natural gas customers. The rate change proposed reflects the level of expense incurred as compared to the approved amount for electric and natural gas customers.

Residential Exchange Adjustment (Electric)

The BPA Residential Exchange Program provides a share of the benefits of the federal Columbia River power system to the residential and small farm customers of the investor-owned utilities in the Pacific Northwest, including Avista. Avista applies the benefits it receives to qualifying customers as a credit in customer electric rates. Due to fluctuations in usage, Avista rebated to customers a level of benefits that was slightly lower than the level of benefits received from BPA. Through this filing Avista is seeking to slightly increase the level of benefits provided to qualifying customers in order to return the under-rebated balance.

Clean Energy Implementation Plan Adjustment (Electric)

The Clean Energy Implementation Plan (CEIP) rate adjustment recovers costs incurred to implement Avista's CEIP and comply with related CEIP conditions. These costs include funding for the Named Communities Investment Fund (NCIF), a targeted initiative that supports the equitable distribution of energy and non-energy benefits and the reduction of burdens experienced by Vulnerable Populations and Highly Impacted Communities (Named Communities). The rate adjustment also recovers the costs of additional resources necessary to carry out the CEIP and associated implementation requirements.

Change in Rates

If approved by the Commission, most residential natural gas customers in Washington using an average of 61 therms per month would see their monthly bills change from $96.18 to $88.80, a decrease of $7.38 per month, or approximately 7.7%. The percentage change will vary by rate schedule, depending on when the customer's meter was first installed at their premises, and how much energy a customer uses.

If approved by the Commission, residential electric customers in Washington using an average of 925 kilowatt hours/month would see their monthly bills change from $125.69 to $125.64, a decrease of $0.05/month, or approximately 0.04%.

Natural Gas Rate Change

Proposed Schedule 101 Rates (effective Nov. 1, 2026)

Natural Gas Service	Current Bill Rate (per therm)	Proposed Change	Proposed Bill Rates (per kWh)
Basic Charge	$10.50	$0.00	$10.50
Avg. Sch 164 CCA Credit	($10.69)	$1.66	($9.03)
First 70 therms/mo	$1.57988	($0.14817)	$1.43171
Over 70 therms/mo	$1.75496	($0.14817)	$1.60679

Proposed Natural Gas Rate Change by Schedule (effective Nov. 1, 2026)

Schedule No.	Rate Schedule	% Change Billed Revenue
101	General Service	-5.7%
111 & 112	Large General Service	-24.4%
131 & 132	Interruptible Sales Service	-22.9%
146	Transportation Service	-35.7%
Overall		**-11.5%**

Electric Rate Change

Proposed Schedule 1 Residential Rates (effective Nov. 1, 2026)

Natural Gas Service	Current Bill Rate (per therm)	Proposed Change	Proposed Bill Rates (per kWh)
Basic Charge	$10.00	$0.00	$10.00
First 800 kWhs/mo	$0.12263	($0.00005)	$0.12258
Next 700 kWhs/mo	$0.14068	($0.00005)	$0.14063
Over 1,500 kWhs/mo	$0.16290	($0.00005)	$0.16285

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