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IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION

AVISTA UTILITIES

CASE NO. AVU-E-20-04

EXHIBIT D

**FCA Press Release and Customer Notice
Electric Service**

June 30, 2020



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Avista Makes Annual Price Adjustment Filings in Idaho

Overall reductions in electric and natural gas prices would take effect in the fall

SPOKANE, Wash. – June 30, 2020, 1:05 p.m. PDT: Avista (**NYSE: AVA**) has made annual rate adjustment filings with the Idaho Public Utilities Commission (IPUC or Commission) that if approved, are designed to decrease overall electric revenues by approximately \$3.0 million or 1.2% effective Oct. 1, 2020 and decrease overall natural gas revenue by approximately \$700 thousand or 1.1% effective Nov. 1, 2020. These annual filings have no impact on Avista's earnings.

Natural Gas Adjustment Filings

The first natural gas adjustment is Avista's annual natural gas Fixed Cost Adjustment (FCA). If approved, Avista's request is designed to decrease overall natural gas revenue by approximately \$1.1 million or 1.8% effective Nov. 1, 2020.

The second adjustment is the annual Purchased Gas Cost Adjustment (PGA) filing. If approved, Avista's request is designed to increase natural gas revenues by \$400 thousand or 0.7 %.

When combined, the two requests are designed to decrease overall natural gas revenue by approximately \$700 thousand or 1.1% effective Nov. 1, 2020.

Electric Adjustment Filing

The electric adjustment request is the annual electric FCA. If approved, Avista's request is designed to decrease overall electric revenues by approximately \$3.0 million or 1.2% effective Oct. 1, 2020

Customer Bills Resulting from these Filings

If the electric FCA filing is approved, residential electric customers in Idaho using an average of 898 kilowatt hours per month would see their monthly bills decrease from \$85.30 to \$84.13, a decrease of \$1.17 per month, or approximately 1.4%. The proposed electric rate change would be effective Oct. 1, 2020.

The requested electric rate changes by rate schedule are as follows:

Residential Service - Schedule 1	-1.4%
General Service - Schedules 11 & 12	-1.4%
Large General Service - Schedules 21 & 22	-1.7%

Extra Large General Service - Schedule 25	0.0%
Extra Large General Service - Schedule 25P	0.0%
Pumping Service - Schedules 31 & 32	-1.5%
Street & Area Lights - Schedules 41-49	<u>0.0%</u>
Overall	-1.2%

If the natural gas FCA and PGA filings are approved, residential natural gas customers in Idaho using an average of 64 therms per month would see their monthly bills decrease from \$50.98 to \$50.18, a decrease of \$0.80 per month, or approximately 1.6%. The proposed natural gas rate changes would be effective Nov. 1, 2020.

The net effect, on a revenue basis, for the requested natural gas rate changes by rate schedule are:

General Service - Schedule 101	-1.6%
Large General Service - Schedules 111 & 112	0.7%
Interruptible Service - Schedules 131 & 132	0.0%
Transportation Service - Schedule 146	<u>0.0%</u>
Overall	-1.1%

About the Fixed Cost Adjustment (FCA) Filing

The electric and natural gas FCA is a mechanism designed to break the link between a utility's revenues and customers' energy usage. Avista's actual revenue, based on kilowatt hour or therm sales, will vary, up or down, from the level included in a general rate case and approved by the Commission. This could be caused by changes in weather, energy conservation or other factors. Generally, under the FCA Avista's revenues are adjusted each month based on the number of customers. The annual difference between revenues based on sales and the number of customers is surcharged or rebated to customers beginning in the following year.

The proposed FCA rate adjustments in 2020 are driven primarily by a higher level of customer usage in 2019 due in part to a colder than normal winter. The FCA mechanisms do not apply to Avista's Electric Extra Large General and Street Lighting Service Schedules, nor to its Natural Gas Interruptible and Transportation Service Schedules.

About the Natural Gas Purchased Gas Cost Adjustment (PGA) Filing

The 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. The modest increase in 2020 is primarily due to wholesale natural gas costs that are slightly higher than the level presently included in rates.

About 30% 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 and are not marked up by Avista. The remaining 70% covers the cost of delivering the natural gas -- the equipment and people needed to provide safe and reliable service.

Rate Application Procedure



Avista's applications are proposals, subject to public review and a Commission decision. Copies of the applications are available for public review at the offices of both the Commission and Avista, and on the Commission's website (www.puc.idaho.gov). Customers may file with the Commission written comments related to Avista's filings. Customers may also subscribe to the Commission's RSS feed (<http://www.puc.idaho.gov/rssfeeds/rss.htm>) to receive periodic updates via e-mail about the case. Copies of rate filings are also available on Avista's website at www.myavista.com/rates.

If you would like to submit comments on the proposed increase, you can do so by going to the Commission website or mailing comments to:

Idaho Public Utilities Commission
P.O. Box 83720
Boise, ID 83720-0074

About Avista Corp.

Avista Corp. is an energy company involved in the production, transmission and distribution of energy as well as other energy-related businesses. [Avista Utilities](#) is our operating division that provides electric service to 395,000 customers and natural gas to 362,000 customers. Its service territory covers 30,000 square miles in eastern Washington, northern Idaho and parts of southern and eastern Oregon, with a population of 1.6 million. Alaska Energy and Resources Company is an Avista subsidiary that provides retail electric service in the city and borough of Juneau, Alaska, through its subsidiary [Alaska Electric Light and Power Company](#). Avista stock is traded under the ticker symbol "AVA." For more information about Avista, please visit www.avistacorp.com.

This news release contains forward-looking statements regarding the company's current expectations. Forward-looking statements are all statements other than historical facts. Such statements speak only as of the date of the news release and are subject to a variety of risks and uncertainties, many of which are beyond the company's control, which could cause actual results to differ materially from the expectations. These risks and uncertainties include, in addition to those discussed herein, all of the factors discussed in the company's Annual Report on Form 10-K for the year ended Dec. 31, 2019 and the Quarterly Report on Form 10-Q for the quarter ended March 31, 2020.

SOURCE: Avista Corporation

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**Important Notice for Idaho Customers DRAFT
(July 2020)**

Avista has filed two annual rate adjustment requests with the Idaho Public Utilities Commission (Commission), that if approved, are designed to decrease overall electric revenues by approximately \$3.0 million or 1.2% effective Oct. 1, 2020 and decrease overall natural gas revenue by approximately \$700 thousand or 1.1% effective Nov. 1, 2020. These annual filings have no impact on Avista's earnings.

The **first** adjustment is Avista's annual Fixed Cost Adjustment (FCA). The electric and natural gas FCA is a mechanism designed to break the link between a utility's revenues and customers' energy usage. Avista's actual revenue, based on kilowatt hour or therm sales, will vary, up or down, from the level included in a general rate case and approved by the Commission. This could be caused by changes in weather, energy conservation or other factors. Generally, under the FCA Avista's revenues are adjusted each month based on the number of customers. The annual 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. If approved, Avista's request is designed to decrease overall electric revenues by approximately \$3.0 million or 1.2% effective Oct. 1, 2020 and decrease overall natural gas revenue by approximately \$1.2 million or 1.8% effective Nov. 1, 2020.

The proposed FCA rate adjustments are driven primarily by a higher level of customer usage in 2019 due in part to a colder than normal winter. The FCA mechanisms do not apply to Avista's Electric Extra Large General and Street Lighting Service Schedules, nor to its Natural Gas Interruptible and Transportation Service Schedules.

The **second** adjustment is related to the annual Purchased Gas Cost Adjustment (PGA) filing. The 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. The modest increase is primarily due to wholesale natural gas costs that are slightly higher than the level presently included in rates. If approved, Avista's request is designed to increase natural gas revenues by \$400 thousand or 0.7 percent.

Customer Bills

Electric

If the electric FCA filing is approved, residential electric customers in Idaho using an average of 898 kilowatt hours per month would see their monthly bills decrease from \$85.30 to \$84.13, a decrease of \$1.17 per month, or approximately 1.4%. The proposed electric rate change would be effective Oct. 1, 2020.

The requested electric rate changes by rate schedule are as follows:

Residential Service - Schedule 1	-1.4%
General Service - Schedules 11 & 12	-1.4%
Large General Service - Schedules 21 & 22	-1.7%
Extra Large General Service - Schedule 25	0.0%
Extra Large General Service - Schedule 25P	0.0%
Pumping Service - Schedules 31 & 32	-1.5%
Street & Area Lights - Schedules 41-49	<u>0.0%</u>
Overall	-1.2%

Natural Gas

If the natural gas FCA and PGA filings are approved, residential natural gas customers in Idaho using an average of 64 therms per month would see their monthly bills decrease from \$50.98 to \$50.18, a decrease of \$0.80 per month, or approximately 1.6%. The proposed natural gas rate changes would be effective Nov. 1, 2020.

The net effect, on a revenue basis, for the requested natural gas rate changes by rate schedule are:

General Service - Schedule 101	-1.6%
Large General Service - Schedules 111 & 112	0.7%
Interruptible Service - Schedules 131 & 132	0.0%
Transportation Service - Schedule 146	<u>0.0%</u>
Overall	-1.1%

The Company's applications are proposals, subject to public review and a Commission decision. Copies of the applications are available for public review at the offices of both the Commission and Avista, and on the Commission's website (www.puc.idaho.gov). Customers may file with the Commission written comments related to the Company's filings. Customers may also subscribe to the Commission's RSS feed (<http://www.puc.idaho.gov/rssfeeds/rss.htm>) to receive periodic updates via e-mail about the case. Copies of rate filings are also available on our website, www.myavista.com/rates.

If you would like to submit comments on the proposed increase, you can do so by going to the Commission website or mailing comments to:

Idaho Public Utilities Commission
P.O. Box 83720
Boise, ID 83720-0074

Avista offers a number of programs and services to help customers manage their energy use and costs. Visit www.myavista.com for information on these programs which include Comfort Level Billing, bill payment options, automated payment service, assistance programs, conservation tips, and energy efficiency rebates.

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