

**Important Notice for Idaho Electric Customers DRAFT
(August 2020)**

Avista has made its annual Power Cost Adjustment (PCA) and Residential Exchange rate adjustment filings with the Idaho Public Utilities Commission (IPUC or Commission) that if approved, are designed to increase overall electric revenues by approximately \$2.8 million or 1.1% effective Oct. 1, 2020. These annual filings have no impact on Avista's earnings.

Avista previously made its annual Fixed Cost Adjustment (FCA) filing on June 30, 2020 with the same proposed effective date of Oct. 1, 2020. If the FCA, PCA and Residential Exchange filings are approved, overall electric revenues will decrease by approximately \$0.2 million or 0.1% effective Oct. 1, 2020.

The **first** adjustment is Avista's annual Power Cost Adjustment (PCA). The PCA is an annual rate adjustment made to reflect certain differences between Avista's actual cost of generating and purchasing electric power to serve customers and the cost currently included in customer rates. It is a true-up to reflect the actual cost of power to serve customers. The proposed PCA rate adjustment would surcharge to customers approximately \$0.5 million effective Oct. 1, 2020. The surcharge is primarily associated with power supply costs that were higher than those included in retail rates, due to higher wholesale electric and natural gas prices. As a result of Avista's PCA filing last year, the Commission approved a rebate of approximately \$1.7 million. That rebate will end Sept. 30, 2020. The net effect of the expiring rebate, and the proposed surcharge, is an overall increase in revenue of approximately \$2.2 million, or 0.9%.

The **second** adjustment is related to the Bonneville Power Administration (BPA) Residential Exchange Program. The 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, which typically fluctuate from year to year, to customers as a credit in their monthly electric rates. Due to fluctuations in usage, Avista rebated to customers a level of benefits that was slightly higher than the level of benefits received from BPA. Through this filing Avista is seeking to slightly reduce the level of benefits provided to qualifying customers in order to recover the over-rebated balance. As a result, the proposed revenue increase for these customers is approximately \$0.6 million, or 0.2%.

Customer Bills Resulting from the Filings - If both filings are approved, residential electric customers in Idaho using an average of 898 kilowatt hours per month would see their monthly bills increase from \$86.27 to \$87.38, an increase of \$1.11 per month, or approximately 1.3%. The proposed electric rate changes would be effective Oct. 1, 2020. The requested electric rate changes by rate schedule are:

Residential Service - Schedule 1	1.3%
General Service - Schedules 11 & 12	0.8%
Large General Service - Schedules 21 & 22	0.9%
Extra Large General Service - Schedule 25	1.4%
Extra Large General Service - Schedule 25P	1.3%
Pumping Service - Schedules 31 & 32	0.8%
Street & Area Lights - Schedules 41-49	<u>0.2%</u>
Overall	1.1%

Customer Bills Resulting from all Annual Electric Adjustments

In addition to the filings discussed above, Avista previously made its annual Fixed Cost Adjustment (FCA) filing on June 30, 2020 with the same proposed effective date of Oct. 1, 2020. If the FCA, PCA and Residential Exchange filings are approved, residential electric customers in Idaho using an average of 898 kilowatt hours per month would see their monthly bills decrease from \$86.27 to \$86.21, a decrease of

\$0.06 per month, or approximately 0.1%. The proposed electric rate changes would be effective Oct. 1, 2020.

The Company's applications are proposals, subject to public review and a Commission decision. Due to the COVID-19 pandemic, we are unable to provide copies at our office locations as we usually do. However, copies of our filings are available at www.myavista.com/rates or you can call us at 1-800-227-9187. Copies are also available on the Commission's website (www.puc.idaho.gov). 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.

If you would like to submit comments on the proposed change, 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.

AVA365i



RECEIVED
2020 July 31, PM 3:04
IDAHO PUBLIC
UTILITIES COMMISSION

Contact:

DRAFT

Media: Celena Mock (509) 495-4923 celena.mock@avistacorp.com
Investors: John Wilcox (509) 495-4171 john.wilcox@avistacorp.com
Avista 24/7 Media Access (509) 495-4174

Avista Makes Annual Price Adjustment Filings in Idaho

Requests would result in change in electric prices effective Oct. 1, 2020

SPOKANE, Wash. – July 31, 2020, 1:05 p.m. PDT: Avista (**NYSE: AVA**) has made its annual Power Cost Adjustment (PCA) and Residential Exchange rate adjustment filings with the Idaho Public Utilities Commission (IPUC or Commission) that if approved, are designed to increase overall electric revenues by approximately \$2.8 million or 1.1% effective Oct. 1, 2020. These annual filings have no impact on Avista's earnings.

Avista previously made its annual Fixed Cost Adjustment (FCA) filing on June 30, 2020 with the same proposed effective date of Oct. 1, 2020. If the FCA, PCA and Residential Exchange filings are approved, overall electric revenues are designed to decrease by approximately \$0.2 million or 0.1% effective Oct. 1, 2020.

Power Cost Adjustment (PCA)

The first adjustment is Avista's annual Power Cost Adjustment (PCA). The PCA is an annual rate adjustment made to reflect certain differences between Avista's actual cost of generating and purchasing electric power to serve customers and the cost currently included in customer rates. It is a true-up to reflect the actual cost of power to serve customers.

The proposed PCA rate adjustment would surcharge to customers approximately \$0.5 million effective Oct. 1, 2020. The surcharge is primarily associated with power supply costs that were higher than those included in retail rates, due to higher wholesale electric and natural gas prices. As a result of Avista's PCA filing last year, the Commission approved a rebate of approximately \$1.7 million. That rebate will end Sept. 30, 2020. The net effect of the expiring rebate, and the proposed surcharge, is an overall increase in revenue of approximately \$2.2 million, or 0.9%.

Residential Exchange Program

The second adjustment is related to the Bonneville Power Administration (BPA) Residential Exchange Program. The 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, which typically fluctuate from year to year, to customers as a credit in their monthly electric rates. Due to fluctuations in usage, Avista rebated to customers a level of benefits that was slightly higher than the level of benefits received from BPA. Through this filing Avista is seeking to slightly reduce the level of benefits provided to qualifying customers in order to recover the over-rebated balance. As a result, the proposed revenue increase for these customers is approximately \$0.6 million, or 0.2%.

Customer Bills Resulting from these Filings

If both filings are approved, residential electric customers in Idaho using an average of 898 kilowatt hours per month would see their monthly bills increase from \$86.27 to \$87.38, an increase of \$1.11 per month, or approximately 1.3%. The proposed electric rate changes would be effective Oct. 1, 2020.

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

Residential Service - Schedule 1	1.3%
General Service - Schedules 11 & 12	0.8%
Large General Service - Schedules 21 & 22	0.9%
Extra Large General Service - Schedule 25	1.4%
Extra Large General Service - Schedule 25P	1.3%
Pumping Service - Schedules 31 & 32	0.8%
Street & Area Lights - Schedules 41-49	<u>0.2%</u>
Overall	1.1%

Customer Bills Resulting from all Annual Electric Adjustments

In addition to the filings discussed above, Avista previously made its annual Fixed Cost Adjustment (FCA) filing on June 30, 2020 with the same proposed effective date of Oct. 1, 2020. If the FCA, PCA and Residential Exchange filings are approved, residential electric customers in Idaho using an average of 898 kilowatt hours per month would see their monthly bills decrease from \$86.27 to \$86.21, a decrease of \$0.06 per month, or approximately 0.1%. The proposed electric rate changes would be effective Oct. 1, 2020.

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 on the Commission's website (www.puc.idaho.gov). Due to the COVID-19 pandemic, we are unable to provide copies at our office locations as we usually do. However, copies of our filings are available at www.myavista.com/rates. Customers may file written comments related to Avista's filings with the Commission. 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.

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

The Avista logo is located in the bottom right corner of the page. It consists of the word "AVISTA" in a bold, white, sans-serif font, set against a dark blue rectangular background. Above this background is a horizontal bar with a yellow-to-green gradient.

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

-20XX-

To unsubscribe from Avista's news release distribution, send a reply message to celena.mock@avistacorp.com

