

AVISTA UTILITIES

Case No. AVU-G-21-04

EXHIBIT "C"

Copy of Press Release and Customer Notice



Contact:

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 Natural Gas Price Adjustment Filings in Idaho

Overall changes in natural gas prices would be effective Sep. 1, 2021

SPOKANE, Wash. – July 2, 2021, 1:05 p.m. PDT: Avista (NYSE: AVA) has made two rate adjustment filings with the Idaho Public Utilities Commission (IPUC or Commission) that, if approved and when combined, are designed to increase overall natural gas revenue by approximately \$7.1 million or 10.6% effective Sep. 1, 2021. These filings have no impact on Avista's earnings.

These rate adjustment filings are separate and distinct from the Settlement Stipulation filed on June 14, 2021 related to the pending general rate case filing, that, if approved, would reduce customer's natural gas bills by an overall 4.5%, also on Sep. 1, 2021.

Natural Gas Adjustment Filings

The first adjustment is the annual Purchased Gas Cost Adjustment (PGA) filing. If approved, Avista's request is designed to increase annual natural gas revenues by approximately \$9.0 million or 13.5% effective Sep. 1, 2021.

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 increase is primarily driven by two factors: 1) wholesale natural gas costs that are higher than the level presently included in rates, and 2) the expiration of a rebate customers are currently receiving from last year's PGA. 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.

The second filing is the Deferred Balances Credit filing. If approved, Avista's request is designed to decrease natural gas revenues by approximately \$1.9 million or 2.9% effective Sep. 1, 2021. The Deferred Balances Credit filing is comprised of the following items:

- Natural Gas Deferred Depreciation Expense balance of \$900,000. This is a result of the Company deferring the benefit of reduced natural gas depreciation expense recorded on its books of record, but not yet reflected in its natural gas customer rates.

- Accumulated Funds Used During Construction (AFUDC) Deferral balance of \$393,000. AFUDC tax flow-through deferral balances are a result of changing how taxes are recognized for rate making purposes.
- CARES Act Deferral balance of \$648,000. The CARES Deferral balance is a result of Avista deferring the tax benefits associated with the CARES Act, which allowed companies with taxable net operating losses (“NOL”) for years 2018 through 2020 to carry those losses back to the five previous tax years.

Customer Bills Resulting from these Filings

If the natural gas PGA and Deferred Balances Credit filings are approved, residential natural gas customers in Idaho using an average of 63 therms per month would see their monthly bills increase from \$49.49 to \$54.05, an increase of \$4.56 per month, or approximately 9.2%. The proposed natural gas rate changes would be effective Sep. 1, 2021.

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

General Service - Schedule 101	9.2%
Large General Service - Schedules 111 & 112	16.3%
Transportation Service - Schedule 146	<u>-2.9%</u>
Overall	10.6%

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 rate 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

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, 2020 and the Quarterly Report on Form 10-Q for the quarter ended March 31, 2021.

SOURCE: Avista Corporation

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**Important Notice for Idaho Customers DRAFT
(July 2021)**

Avista has filed two rate adjustment requests with the Idaho Public Utilities Commission (Commission), that if approved, are designed to increase overall natural gas revenue by approximately \$7.1 million or 10.6% effective Sept. 1, 2021. These filings have no impact on Avista's earnings.

The **first** 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 increase is primarily driven by two factors: 1) wholesale natural gas costs that are higher than the level presently included in rates, and 2) the expiration of a rebate customers are currently receiving from last year's PGA. If approved, Avista's request is designed to increase annual natural gas revenues by approximately \$9.0 million or 13.5%.

The **second** filing is the Deferred Balances Credit filing. This filing returns to customers deferred balances related to depreciation expense, Accumulated Funds Used During Construction (AFUDC), and CARES Act benefits. If approved, Avista's request is designed to decrease natural gas revenues by approximately \$1.9 million or 2.9%.

These rate adjustment filings are separate and distinct from the Settlement Stipulation filed on June 14, 2021 related to the pending general rate case filing, that, if approved, would reduce customer's natural gas bills by an overall 4.5%, also on Sept. 1, 2021.

Customer Bills

Natural Gas

If the natural gas PGA and the Deferred Balances Credit filings are approved, residential natural gas customers in Idaho using an average of 63 therms per month would see their monthly bills increase from \$49.49 to \$54.05, an increase of \$4.56 per month, or approximately 9.2%. The proposed natural gas rate changes would be effective Sept. 1, 2021.

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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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