



Rates



How rates are set

Avista is a regulated utility. That term, “regulated utility,” is important because it means that regulators set or approve our rates. It’s common to think we can raise our rates whenever we want, but in fact, the opposite is true. Avista’s rates can only change with approval from state public utility commissions. Here’s how the process works:

AVISTA FILES A RATE REQUEST

When our costs for providing energy service to our customers change, we file a request with the commissions to adjust rates. We must go through a detailed public process and demonstrate the need for a rate change.

COMMISSION REVIEWS REQUEST

The commission then reviews our costs, reviews volumes of data and takes public testimony.

COMMISSION SETS OR APPROVES RATES

Based on its findings, the commission sets or approves rates it believes serve the public interest – rates that are reasonable and fair to customers, while allowing Avista the opportunity to be a viable, healthy business and earn a fair return for shareholders.

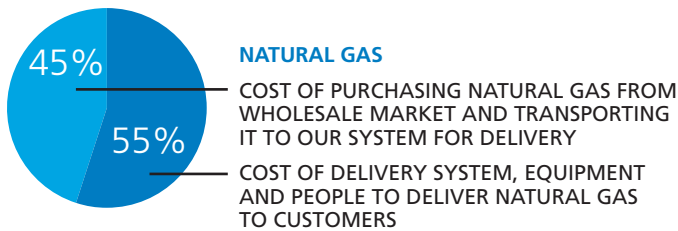
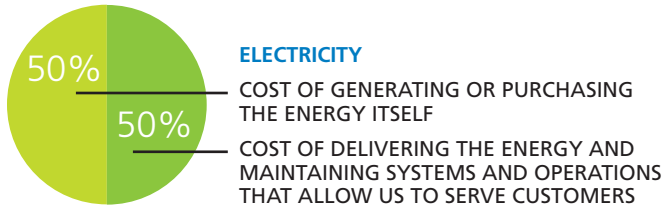
What rates cover

Rates cover two types of costs:

1. The cost of generating or purchasing energy;
2. The cost of delivering that energy to customers.

The cost of wholesale energy is a major rate-driver. Our costs fluctuate up and down based on the energy market. Avista is fortunate to own and operate the majority of the power it generates, which gives us more control over the entire energy-delivery process, from generation to transmission to distribution. This helps keep our costs to you more stable.

Take a look at the cost breakdown of customer rates for electricity and natural gas.



Investing in our future

The cost of delivering safe and reliable energy includes more than one might think. It includes maintaining and improving a massive infrastructure made up of pipes, poles, dams and substations as well as technology. Many parts of our system are more than 30, 40 and 50 years old. These expenses are part of ensuring that we can continue to provide our customers with safe, efficient and reliable power.

Keeping costs affordable for customers is at the forefront of the decisions we make. We aim to save our customers money a variety of ways, including implementing intentional purchase plans, offering natural gas for the same price we pay and continuing to be thoughtful in how we prepare our generation mix.

Even with these efforts in place, the costs to purchase power can and do fluctuate, and Avista will need to continue to invest hundreds of millions of dollars in our system every year to continue providing safe, reliable service for our customers now and into the future. This means rates will likely continue to go up.

Let's compare

Across the nation, all communities and utilities are dealing with a similar reality: rising energy costs.

Faced with this reality, Avista has put in much planning and effort to keep our electric and natural gas rates competitive.

US Electric Utility Residential Bill Comparison

HAWAII	375.31
CALIFORNIA	279.05
CONNECTICUT	231.76
MASSACHUSETTS	231.12
RHODE ISLAND	192.38
NEW YORK	175.37
VERMONT	172.32
NEW HAMPSHIRE	171.24
MAINE	164.06
NEW JERSEY	160.11
COLORADO	153.67
MISSOURI	147.60
MICHIGAN	143.72
USA AVERAGE	142.81
MARYLAND	140.02
WISCONSIN	135.69
PENNSYLVANIA	135.27
ARIZONA	133.68
IOWA	132.13
KANSAS	132.10
GEORGIA	131.08
INDIANA	130.60
SOUTH CAROLINA	130.09
MINNESOTA	128.92
ALABAMA	127.80
NEW MEXICO	127.29
DELAWARE	127.12
OHIO	125.98
TEXAS	120.24
MISSISSIPPI	118.38
FLORIDA	118.16
WYOMING	117.99
NEVADA	115.71
WEST VIRGINIA	115.58
NORTH CAROLINA	113.95
DISTRICT OF COLUMBIA	113.36
VIRGINIA	113.33
SOUTH DAKOTA	113.08
NORTH DAKOTA	112.20
OREGON	112.00
LOUISIANA	109.78
UTAH	109.60
KENTUCKY	106.11
ARKANSAS	102.75
OKLAHOMA	101.17
ILLINOIS	101.10
IDAHO	100.93
MONTANA	97.41
AVISTA IDAHO	97.27
AVISTA WASHINGTON	92.93
WASHINGTON	92.75
TENNESSEE	91.88

Source: Edison Electric Institute
Investor-Owned Utilities
Based on 1,000 kWh of use per month
as of July 1, 2018

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