



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 be changed 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.

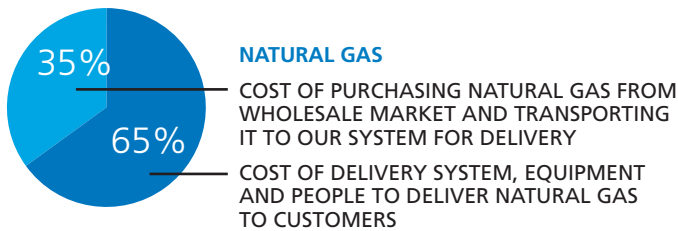
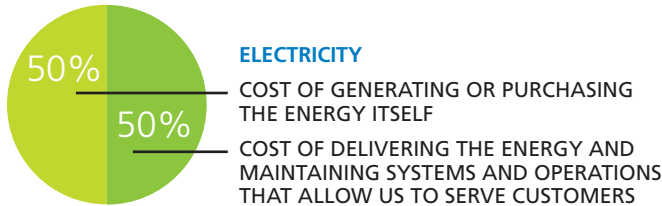
What rates cover

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 or 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 in 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	361.56
CALIFORNIA	285.39
MASSACHUSETTS	253.95
CONNECTICUT	243.37
RHODE ISLAND	227.02
NEW HAMPSHIRE	189.02
VERMONT	184.80
NEW YORK	159.56
MAINE	156.38
MICHIGAN	140.13
NEW JERSEY	139.61
ALABAMA	138.06
PENNSYLVANIA	137.03
USA AVERAGE	136.50
COLORADO	136.22
INDIANA	131.41
MARYLAND	127.71
WISCONSIN	127.48
KANSAS	124.56
SOUTH CAROLINA	123.33
FLORIDA	122.61
ARIZONA	121.09
MISSISSIPPI	117.45
WEST VIRGINIA	116.87
WYOMING	115.82
DISTRICT OF COLUMBIA	115.81
MINNESOTA	115.50
SOUTH DAKOTA	115.48
GEORGIA	114.16
NEW MEXICO	113.86
VIRGINIA	113.43
OHIO	113.24
NEVADA	113.04
NORTH CAROLINA	111.15
KENTUCKY	109.74
OREGON	108.83
UTAH	106.20
IOWA	105.90
MISSOURI	105.33
LOUISIANA	103.43
MONTANA	98.35
NORTH DAKOTA	96.26
ARKANSAS	96.17
TENNESSEE	95.32
OKLAHOMA	94.98
AVISTA IDAHO	93.86
WASHINGTON	91.22
IDAHO	90.12
AVISTA WASHINGTON	89.63
ILLINOIS	88.36
TEXAS	82.63

Source: Edison Electric Institute
Investor-Owned Utilities
Based on 1,000 kWh of use per month
as of January 1, 2020

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