

The Company's request is a proposal, subject to public review and a Commission decision. The Commission has the authority to set final rates that may vary from the utility's request, which may be either higher or lower depending on the results of the investigation. You may contact the UTC to inquire about the Commission process, or to be notified about the scheduled open meetings at which the proposal will be considered. The WUTC is committed to providing reasonable accommodations for participants with disabilities. If you need reasonable accommodations to participate in this open meeting (or public comment hearing, workshop, etc.) please contact the Commission at 888-333-9882 or email at Consumer@utc.wa.gov. You can contact the Commission to comment on Avista's rate proposals via email at comments@utc.wa.gov, by telephone at 1-888-333-WUTC (9882), via letter at: UTC, P.O. Box 47250, Olympia, WA 98504-7250, or online at: www.utc.wa.gov. Copies of the applications are available for public review on the Commission website.

Avista offers a number of programs and services to help customers manage their energy use and costs. Visit www.myavista.com or call 1-800-227-9187 for information on these programs which include Comfort Level Billing, bill payment options, automated payment service, assistance programs such as My Energy Discount, conservation tips, and energy efficiency rebates. Copies of our filings are available for public review at www.myavista.com/rates or on the Commission website at www.utc.wa.gov. You can also submit written questions directly to the Company via mail at: 1411 E Mission Ave, C/O Regulatory Affairs, Spokane, WA 99202.

Important Notice for Washington Electric and Natural Gas Customers

(May/June 2024)

On May 31, 2024, Avista made annual rate adjustment filings with the Washington Utilities and Transportation Commission (UTC or Commission) that are designed to increase overall electric revenues by approximately \$35.6 million or 5.8% and increase overall natural gas revenue by approximately \$3.4 million or 1.1%. If approved, new rates would take effect Aug. 1, 2024.

The first rate adjustment is related to Avista's electric and natural gas decoupling mechanisms. Decoupling is a mechanism designed to break the link between utility revenues and customer energy usage. Generally, Avista's electric and natural gas revenues are adjusted each month based on the number of customers instead of kilowatt hour and therm sales. The 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. The decoupling rate adjustments are designed to increase revenues by \$22 million or 3.6% for electric operations and increase revenues by \$3.4 million or 1.1% for natural gas operations. The electric rate adjustments are primarily driven by the expiration of the prior year decoupling rebate credit. The natural gas rate adjustment is primarily driven by variations in 2023 customer usage related to weather and energy reduction due to the Company's efficiency programs.

The second rate adjustment modifies the level of funding for Avista's electric energy efficiency programs. Each year, customers achieve significant energy savings and receive rebates and incentives through Avista's energy efficiency programs. The Commission approves the amount of funding for these important programs through a portion of energy rates. The electric rate adjustment is designed to increase the amount collected from customers by \$12.9 million, or 2.1%. The Company has not proposed to change the present level of natural gas funding.

The third rate adjustment is related to Avista’s Renewable Energy Credit (REC) mechanism applicable to electric customers. Currently, Avista is rebating approximately \$0.9 million to customers, annually. In the present filing, Avista is proposing to adjust the REC rebate to reflect a decrease in the projected net REC revenues for the August 2024 – July 2025 time period. That amount is \$0.2 million. The net effect of the new and expiring REC rebate is an increase in revenue of approximately \$0.7 million, or 0.1%.

Change in Rates - If approved by the Commission, residential electric customers in Washington using an average of 945 kilowatt hours/month would see their monthly bills change from \$97.26 to \$105.77, an increase of \$8.51/month, or approximately 8.8%. Residential natural gas customers in Washington using an average of 66 therms per month would see their monthly bills change from \$98.36 to \$100.87, an increase of \$2.51 per month, or approximately 2.6%.

The percentage change varies by rate schedule and depends on how much energy a customer uses. If approved, customers would see the following rate adjustments:

**Electric Rate Change
Proposed Schedule 1 Residential Rates
(effective Aug. 1, 2024)**

Electric Service	Current Billing Rate	Proposed Change	Proposed Billing Rates
Basic Charge	\$9.00	\$0.00	\$9.00
First 800 kWhs/month	\$0.09096/kWh	\$0.00901/kWh	\$0.09997/kWh
Next 700 kWhs/month	\$0.10682/kWh	\$0.00901/kWh	\$0.11583/kWh
Over 1,500 kWhs/month	\$0.12635/kWh	\$0.00901/kWh	\$0.13536/kWh

**Proposed Electric Rate Change by Schedule
(effective Aug. 1, 2024)**

Schedule No.	Rate Schedule	% Change in Billed Revenue
1	Residential	8.7%
11/12/13	General Service	3.5%
21/22/23	Large General Service	4.1%
25/251	Ex. Lg. General Service	1.6%
31/32	Pumping Service	5.1%
41-48	Street and Area Lights	2.2%
Overall		5.8%

**Natural Gas Rate Change
Proposed Schedule 101 Rates
(effective Aug. 1, 2024)**

Natural Gas Service	Current Billing Rate	Proposed Change	Proposed Billing Rates
Basic Charge CCA Credit	(\$1.87)	\$0.00	(\$1.87)
First 70 therms/month	\$1.51856/therm	\$0.03804/therm	\$1.55660/therm
Over 70 therms/month	\$1.67040/therm	\$0.03804/therm	\$1.70844/therm

**Proposed Natural Gas Rate Change by Schedule
(effective Aug. 1, 2024)**

Schedule No.	Rate Schedule	% Change in Billed Revenue
101	General Service	2.5%
111/112	Large General Service	-2.3%
131/132	Interruptible Sales Service	0.0%
146	Transportation Service	0.0%
Overall		1.1%

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 91A

DEMAND SIDE MANAGEMENT RATE ADJUSTMENT- WASHINGTON cont.

MONTHLY RATE:

The energy charges of the individual rate schedules are to be surcharged by the following amounts:

Schedule 1, 7 & 8	\$0.00498 per kWh	(I)(N)
Schedule 11, 12, 13, 17 & 18	\$0.00586 per kWh	(I)(N)
Schedule 21, 22 & 23	\$0.00505 per kWh	(I)
Schedule 25	\$0.00316 per kWh	(I)
Schedule 25I	\$0.00239 per kWh	(I)
Schedule 31 & 32	\$0.00512 per kWh	(I)
Schedules 41-48	\$0.02152 per kWh	(I)

SPECIAL TERMS AND CONDITIONS:

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

The above Rate is subject to increases as set forth in Tax Adjustment Schedule 58.

Issued May 31, 2024

Effective August 1, 2024

Issued by Avista Corporation
By

Patrick Ehrbar, Director of Regulatory Affairs





Avista Corp.

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Telephone: 509-489-0500
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May 31, 2024

Jeff Killip
Executive Director and Secretary
Washington Utilities & Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

Re: **Avista Utilities Schedule 91 – Electric Service Energy Efficiency Rate Adjustment**

Dear Mr. Killip:

Attached for filing with the Commission is an electronic copy of Avista Corporation's, dba Avista Utilities' (Avista or "the Company"), filing of its proposed revisions to the following electric tariff sheets, WN U-28:

Seventh Revision Sheet 91A Canceling **Sixth Revision Sheet 91A**

WAC 480-109-130 provides that "Utilities must file with the Commission for recovery of all expected conservation cost changes and amortization of deferred balances...no later than June 1st of each year with a requested effective date at least sixty days after the filing." The Company's energy efficiency tariff rider mechanism is designed to match future revenue with budgeted expenditures; to ensure appropriate recovery, the mechanism includes a true-up feature that reconciles the previous periods' actual expenditures and collections. As such, the primary purpose of this filing is to comply with the above requirement of WAC 480-109-130, requesting an increase in the rates collected through Schedule 91 to more adequately match the costs of the Company's current and projected electric energy efficiency expenditures.

Avista's electric Schedule 91 funds the Company's Energy Efficiency Program (Program), described within the Company's Schedule 90, "Electric Energy Efficiency Programs." All Schedule 91 revenue is applied only to the provision of electric efficiency service, including

programs offered by the Company directly, through designated contractors, or as part of regional electric programs, as well as 3rd party evaluation, measurement and verification (EM&V) contracts and potential assessment studies. The Company’s programs are based on providing a financial incentive, or “rebate,” for cost-effective efficiency measures, in addition to midstream approaches that provide benefits to the distributors themselves. Programs that offer weatherization measures, outreach and education, market transformation via the Northwest Energy Efficiency Alliance (NEEA), and various pilots, behavioral programs, and workforce development offerings are also included in Avista’s electric portfolio.¹

As of April 30, 2024, the Schedule 91 (electric) energy efficiency tariff rider balance was approximately \$9.8 million underfunded. According to actual tariff rider balances and a forecast of expected revenues and expenditures through July 2026,² the current rates being collected through Avista’s tariff rider are insufficient to fund both the ongoing Energy Efficiency Program operations, as well as to recover previous expenditures. The primary driver for this underfunding was an increase in the amount of potential cost-effective conservation to be achieved within the 2022-2023 biennium; with increased conservation targets came an increase in the amount of program offerings and pursuit of higher cost measures to accomplish these goals. The launch of such programs in order to pursue all cost-effective energy savings opportunities includes, but are not limited to, small business direct-install, midstream, and pilots such as Active Energy Management and Clean Buildings Accelerator. Further information about Avista’s Program and can be found within the Company’s Biennial Conservation Plan (BCP) and Annual Conservation Plan, and associated biennial and annual reports (BCR and ACR, respectively).³

Additionally, the establishment of a Named Communities Investment Fund (NCIF) has contributed to the need for additional funding for efficiency program operations.⁴ All programs noted above create more equitable opportunities for customers to participate in Avista’s energy efficiency programs by removing well-known barriers to participation, such as extensive application processes and/ or significant out-of-pocket expenses. In focusing on removing these

¹ For more information regarding Avista’s Energy Efficiency Program, including all annual and biennial conservation planning and reporting documents, please see [How Avista Stays Efficient \(myavista.com\)](https://www.myavista.com).

² See Attached workpapers.

³ See Dockets UE-210826/UG-210827, or [How Avista Stays Efficient \(myavista.com\)](https://www.myavista.com) for prior plans and reports.

⁴ As approved in the Company’s 2021-2024 Clean Energy Implementation Plan (CEIP). See Docket UE-210628.



obstacles for customers, Avista's portfolio has become significantly more equitable, and continued funding of these programs will only further provide opportunities to correct program access inequities. Therefore, the Company is proposing to increase rates collected in Schedule 91 by approximately \$12.9 million annually, to bring the forecasted tariff balance close to \$0 by July 31, 2026. The Company will continue to track the progress of this balance, and should the proposed increase in the tariff rider rate either fail to clear an underfunded balance, or lead to an overfunded balance at the end of the next twelve month period, Avista will request a revision to clear that balance in a subsequent filing.

Avista respectfully requests the Commission approve the proposed increase in rates and charges in Schedule 91, effective August 1, 2024, in order for the Company to maintain an appropriate level and sufficient funding for its energy efficiency programs. The estimated annual revenue change associated with this filing is an increase of approximately \$12.9 million. The proposed rate increase will have an average monthly bill impact to residential electric customers (using 945 kWhs) of \$2.29 to their bill, or 2.4%, bringing the average bill from \$97.26 to \$99.55.

The Company provided the proposed tariff rider balance rate change to its Advisory Group on Monday, May 13, 2024, and received no additional comments.

The Company has provided in this filing a copy of its customer notice which will be included as a bill insert in the May – June cycle. Attached are the Company's workpapers supporting this proposal.

If you have any questions regarding this filing, please contact Kim Boynton, Manager, Energy Efficiency Analytics, at (509) 495-4744.

Sincerely,

/s/ Jaime Majure

Jaime Majure
Regulatory Affairs Manager
Avista Utilities

