

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
d/b/a Avista Utilities

SCHEDULE 98

RENEWABLE ENERGY CREDIT REVENUE MECHANISM - WASHINGTON

APPLICABLE:

To Customers in the State of Washington where the Company has electric service available. This Renewable Energy Credit Revenue Mechanism shall be applicable to all retail customers for charges for electric energy sold and to the flat rate charges for Company-owned or Customer-owned Street Lighting and Area Lighting Service.

This rebate will be based on the projected net REC revenues for the August 2024 through July 2025 time period, as well as a true-up of the amortization of the prior rebate in effect from July 1, 2023 through July 31, 2024. Interest on the deferred balance will accrue at the after-tax cost of capital interest rate (6.511%) from the Company's most recent approved general rate case (UE-220053). The revenue conversion factor used in the development of the rates set forth below will be from the Company's most recent approved general rate case (UE-220053).

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MONTHLY RATE:

The rate spread is based on the generation allocation factor E02 from the Company's most recent approved general rate case (UE-220053). The energy charges of the individual rate schedules are to be decreased by the following amounts:

Schedules 1, 7 & 8	0.004¢ per kWh
Schedules 11, 12, 13, 17 & 18	0.004¢ per kWh
Schedules 21, 22 & 23	0.004¢ per kWh
Schedules 25 & 25l	0.004¢ per kWh
Schedules 31 & 32	0.004¢ per kWh
Schedules 41 – 48	0.004¢ per kWh

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TERM:

On or before June 15, every year, the Company will file to adjust rates with an effective date of August 1.

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 Utilities
By

Patrick Ehrbar, Director of Regulatory Affairs





Avista Corp.

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Toll Free 800-727-9170

May 31, 2024

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

Re: Tariff WN U-28, Electric Service – WA Renewable Energy Credit Revenue Mechanism

Dear Mr. Killip:

Attached for electronic filing with the Commission is the following tariff sheet proposed to be effective August 1, 2024:

Tenth Revision Sheet 98 Canceling Ninth Revision Sheet 98

The proposed tariff sheet reflects an electric rate adjustment to decrease the present rebate customers are receiving related to Renewable Energy Credits (“RECs”). In Dockets UE-140188 and UG-140189, the Settlement Stipulation approved by the Commission in Order No. 05 required Avista to file an adjustment to the REC Revenue rebate on or before April 1, 2016, and each year thereafter, to reflect both the under- and over-amortized balance from the current rebate as well as the projected net REC revenues for the following July – June time period.¹ In Dockets UE-220053, UG-220054, UE-210854 (Consolidated) the effective date was moved from July 1 to August 1 to coincide with other rate changes². As a result, this year’s annual filing reflects the projected un-amortized balance from the current rebate through July 2024 as well as the projected net REC revenue for the August 2024 – July 2025 time period. The new rates are to go into effect August 1 for a twelve-month period.

Actual REC revenue was greater than the amount forecasted in last year's Schedule 98 filing resulting in an expected rebate balance of \$0.1 million remaining from the August 2023 through July 2024 time period. However, the August 2024 through July 2025 time period is projected to have less REC revenue than the previous twelve months due to the need to retain more RECs for Washington compliance programs. The REC sales that drove the increase in revenue above the forecast in last year’s filing were not under contract at the time of filing, and therefore not included in forecasted revenue. Similarly, only REC sales under contract are included in this year’s filing.

¹ See Dockets UE-140188 and UG-140189, Settlement Stipulation Appendix 2, p. 4.

² See Final Order 10/04 in Dockets UE-220053, UG-220054, UE-210854 (Consolidated) p. 44-45

As provided in the workpapers accompanying this filing, the total rebate effective August 1, 2024 of \$0.2 million is a decreased benefit (i.e., rate increase) to electric customers of approximately \$0.7 million, or 0.1%, compared to the current rebate in effect of approximately \$0.9 million. Below, Table 1 illustrates the change in the REC rebate balance compared to last year and Table 2 illustrates the impact by rate schedule:

Table 1 - Change in REC Rebate

	(\$ in millions)
Expected REC Deferral Balance July 31, 2024 (<u>rebate</u>)	\$ (0.1)
REC Revenue - August 2024 - July 2025 (<u>rebate</u>)	(0.1)
Interest and Revenue Conversion Factor (<u>rebate</u>)	(0.0)
Total REC Rebate August 2024 - July 2025 (<u>rebate</u>)	\$ (0.2)
Current Rebate	0.9
Change in REC Rebate (rate increase)	\$ 0.7

Table 2 - Impact by Rate Schedule

Schedule No.	Rate Schedule	Change in Billed Revenue
1/7/8	Residential	0.1%
11/12/13/17/18	General Service Schedule	0.1%
21/22/23	Large General Service Schedule	0.1%
25/25I	Ext. Lg General Service Schedule	0.2%
31/32	Pumping Service Schedule	0.1%
41-48	Street and Area Lights	0.0%
Overall		0.1%

The change in the rate credit has no effect on Avista's earnings. Enclosed is a set of workpapers which shows the derivation of the proposed per kilowatt-hour rate credit proposed to be effective for a twelve-month period beginning August 1, 2024.

The average residential customer using 945 kWhs per month will see an increase of \$0.12 per month, or approximately 0.1%. The present bill for 945 kWhs is \$97.26 while the proposed bill is \$97.38. The actual bill change will vary based on customer usage.

Information contained in this filing is confidential in nature and is filed under seal, per WAC 480-07-160 along with a redacted version. In accordance with the requirements of WAC 480-100-103, attached to this filing is a draft notice to customers, which the Company will provide through a bill insert, during the May/June 2024 bill cycle.

Please direct any questions regarding this filing to Marcus Garbarino at (509) 495-2567.

Sincerely,

/S/ Patrick D. Ehrbar

Patrick D. Ehrbar
Director of Regulatory Affairs

Enclosures

