

Important Notice for Idaho
Natural Gas Customers
(September/October 2018)

Proposed Natural Gas Rate Adjustment to be Effective Nov. 1, 2018

Avista has filed an annual natural gas rate request with the Idaho Public Utilities Commission (Commission), with a requested effective date of Nov. 1, 2018. This annual filing has no impact on the company's earnings, and is not related to the proposed acquisition of Avista by Hydro One.

The rate request is the annual Purchased Gas Cost Adjustment (PGA). 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. If approved, Avista's request is designed to decrease natural gas revenues by \$0.6 million or 1.0 percent. The primary drivers for the requested rate reduction include continued low natural gas commodity costs due to the continued high production levels of natural gas and a reduction in the cost to transport natural gas to Avista's distribution system.

Customer Bills - If approved, residential natural gas customers in Idaho using an average of 63 therms per month would see their monthly bills decrease from \$48.31 to \$47.97, a decrease of \$0.34 per month, or approximately 0.7 percent. The proposed natural gas rate change would be effective Nov. 1, 2018. The requested natural gas rate changes by rate schedule are:

General Service – Firm – Schedule 101 – Residential & Small Commercial	-0.7%
Large General Service – Firm – Schedules 111 & 112 – Commercial	-1.9%
Transportation Service – Schedule 101	-1.9%
Overall	-1.0%

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Customer Bills Resulting from all Annual Natural Gas Adjustments - In addition to the filing discussed above, the Company previously made its annual Fixed Cost Adjustment (FCA) filing on June 29, 2018 with the same proposed effective date of Nov. 1, 2018. If the FCA and PGA filings are approved, residential natural gas customers in Idaho using an average of 63 therms per month would see their monthly bills decrease from \$48.31 to \$45.93, a decrease of \$2.38 per month, or approximately 4.9 percent.

The Company'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 the Company'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 our website, 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

To assist customers in managing their energy use and energy bills, Avista offers services such as energy efficiency programs and rebates, comfort level billing, payment arrangements and Customer Assistance Referral and Evaluation Services (CARES). To learn more, visit www.myavista.com.

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