



Avista requests recovery of costs for providing service in Oregon

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Investments in infrastructure and increases in cost of service drive rate request

SPOKANE, Wash., March 01, 2023 (GLOBE NEWSWIRE) -- Today Avista (NYSE: AVA) filed a request with the Public Utility Commission of Oregon (PUC) to increase natural gas base rates.

The proposal is designed to increase overall natural gas base revenue by approximately \$11.0 million and is based on a proposed rate of return of 7.59% with a common equity ratio of 50% and a 10.25% return on equity.

"As an energy provider, we understand we play a vital role in the daily lives of those we serve, and we take this responsibility seriously," said Avista president and CEO Dennis Vermillion. "As costs for goods and services have gone up across the board, we recognize how challenging increases in energy prices can be for our customers. We work hard to make decisions that will help keep these costs affordable, because we know this matters to all of our customers."

"Part of the responsibility of providing an essential service is to make sure customers have energy when they need it. This means that we must continue to make important and necessary investments to the infrastructure that serves our customers such as replacing aging natural gas pipelines, upgrading customer-facing technology, and much more. We've made these investments on behalf of our customers because it's the right thing to do.

"There are also new pressures causing costs to go up for all companies and industries. Supply chain constraints, inflation and increasing interest rates are contributing to a challenging operating environment, making it more difficult to control costs.

"We continue to aggressively manage costs to achieve the appropriate balance of providing safe and reliable service at cost-effective rates, along with a high level of customer satisfaction, while preserving the financial health of the utility. We are focused on long-term sustainable savings to continuously improve our service to customers and manage costs into the future.

"The ongoing effort to align the rates customers pay with Avista's costs to serve is one of the main reasons we file general rate requests. It's important for the health of the company and an essential part of providing safe and reliable energy," Vermillion said.

Infrastructure Investments

The majority of the current capital investments include upgrades and maintenance of natural gas pipe and distribution equipment as well as other information technology improvements. Major capital investments included in today's filing are:

- The continuation of a major project to replace portions of natural gas distribution pipe. The project is replacing hundreds of miles of natural gas pipeline that was installed prior to 1987.
- Replacement and expansion of natural gas pipe to improve the operation of the natural gas system and accommodate growth, development, and construction projects.
- Implementation and upgrades of technology systems that make it easier for customers to do business with Avista and that allow employees to perform their jobs and serve customers in a safe, reliable and efficient manner.

Customer Bills

If approved by the PUC, a residential customer using an average of 47 therms per month would see a \$6.20 per month increase, or 8.1 percent, for a revised monthly bill of \$83.21 (inclusive of a proposed \$1.50 per month increase in the basic charge).

The actual percentage and dollar increase will vary by customer class and will depend on how much energy a customer uses. The requested natural gas rate billing changes by rate schedule are as follows:

Residential Schedule 410	8.1%
General Service Schedule 420	8.8%
Large General Service Schedule 424	1.3%
Interruptible Service Schedule 440	0.0%
Seasonal Service Schedule 444	0.0%
Transportation Service Schedule 456	7.4%
Overall	7.4%

More About Rates

On average, about 40% of an Oregon residential Avista customer's bill is the combined cost of purchasing natural gas on the wholesale market and transporting it through Avista's system for delivery to customers. These costs fluctuate up and down based on market prices and are not marked up by Avista. The remaining 60% is related to the ownership and operating costs of Avista's delivery system to provide safe, reliable, and affordable service to all customers while meeting mandatory state and federal requirements.

Avista serves approximately 106,000 customers in Oregon. The PUC has up to 10 months to review Avista's request.

Customer Resources

To assist customers in managing their energy bills, Avista offers services for customers such as comfort level billing, payment arrangements, and Customer Assistance Referral and Evaluation Services (CARES), which provide assistance to customers through referrals to area organizations for help with housing, utilities, medical assistance and other needs. Avista also provides support to customer assistance funds such as Project Share. In addition, Avista provides energy efficiency and outreach programs, including rebates and incentives, which help customers manage their energy use. Since 2017 we have partnered with the Energy Trust of Oregon for these programs. To learn more, visit www.myavista.com/assistance.

About Avista Corp.

Avista Corp. is an energy company involved in the production, transmission and distribution of energy as well as other energy-related businesses. [Avista Utilities](http://www.avistacorp.com) is our operating division that provides electric service to 411,000 customers and natural gas to 378,000 customers. Its service territory covers 30,000 square miles in eastern Washington, northern Idaho and parts of southern and eastern Oregon, with a population of 1.7 million. Alaska Energy and Resources Company is an Avista subsidiary that provides retail electric service in the city and borough of Juneau, Alaska, through its subsidiary [Alaska Electric Light and Power Company](http://www.avistacorp.com). Avista stock is traded under the ticker symbol "AVA." For more information about Avista, please visit www.avistacorp.com.

This news release contains forward-looking statements regarding the company's current expectations. Forward-looking statements are all statements other than historical facts. Such statements speak only as of the date of the news release and are subject to a variety of risks and uncertainties, many of which are beyond the company's control, which could cause actual results to differ materially from the expectations. These risks and uncertainties include, in addition to those discussed herein, all of the factors discussed in the company's Annual Report on Form 10-K for the year ended Dec. 31, 2022.

SOURCE: Avista Corporation

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Source: Avista Corporation