



Avista Receives Commission Decision in Washington General Rate Cases

December 23, 2024

Company pleased with the fair and balanced decision for the Company and its customers

SPOKANE, Wash., Dec. 23, 2024 (GLOBE NEWSWIRE) -- Avista's (NYSE: AVA) electric and natural gas general rate cases filed in January 2024 have concluded, with an order from the Washington Utilities and Transportation Commission (Commission) approving a two-year rate plan that will change electric and natural gas rates, beginning Jan. 1, 2025, and Jan. 1, 2026.

For electric operations, the Commission approved rates designed to provide a 0.1 percent, or \$0.8 million increase in base revenue for Rate Year 1, and a 11.6 percent, or \$68.9 million increase in base revenue for Rate Year 2. For natural gas operations, the Commission approved rates designed to provide a 11.2 percent, or \$14.2 million increase in base revenue for Rate Year 1, and a 2.8 percent, or \$4.0 million increase in base revenue for Rate Year 2.

For electric Rate Year 1, it is our belief that there is a calculation error with respect to the level of power supply expenses removed from the final revenue requirement, that, if corrected, would move the revenue approved from \$0.8 million to approximately \$12 million. We have brought this issue to the attention of the Commission. When this correction is made, the base percentage increase will be 2.0 percent.

The Commission approved a rate of return (ROR) on rate base of 7.32 percent, with a common equity ratio of 48.5 percent and a 9.8 percent return on equity (ROE), noting that an upward adjustment is needed to address the challenges the Company faces. The Commission did not, at this time, support a change to the mechanics of the Energy Recovery Mechanism (ERM), but did continue its support for important mechanisms such as Wildfire and Insurance balancing accounts, and decoupling.

While the Commission did not approve a modification to the existing ERM, the forecasted power supply costs that were removed from Electric Rate Year 1, which makes up the majority of the reduction in revenue from the Company's filed case, to the final order, would flow through the ERM deadband and sharing bands.

"We are pleased with the Commission's constructive decision, which provides a positive outcome for both our customers and our shareholders. Our Washington electric customers will receive the benefit of Avista's reduced power supply cost in Rate Year 1, mitigating the impact to their bills. At the same time, our shareholders will benefit from the increase in margin, improving the return for our shareholders. The decision reflects the Commission's recognition of Avista's investment in utility infrastructure to benefit our customers, and that our operating expenses are increasing at a faster pace than revenues. The outcome provides for necessary recovery of the costs to serve our customers and continued investment in our systems," said Dennis Vermillion, chief executive officer of Avista Corp.

Avista anticipates issuing 2025 earnings guidance during the fourth quarter 2024 earnings call in February 2025.

Customer Resources

When customers need help with their energy use and billing, Avista has ways to assist. Billing options, such as Comfort Level Billing, preferred due date, and payment arrangements, give customers more control over how their energy costs are spread out. In Washington, Avista recently launched My Energy Discount, a personalized monthly bill discount program to help eligible customers lower their energy bills. The program offers more inclusive eligibility guidelines, quick and easy enrollment, and a two-year discount term. For help with managing energy usage, Avista's Energy Manager and home energy audit tools, as well as energy-saving tips, videos and money-saving rebates for energy-efficient upgrades, are available. In addition, Avista provides local community action agencies with funding for eligible customers who need emergency grants, home weatherization and heating system improvements. Customers with special health or financial circumstances can also work directly with our Customer Assistance Referral and Evaluation Services team to be connected with resources for help with housing, other utilities, medical assistance, and more. For more information on assistance options, customers can 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](#) is the operating division that provides electric service to 418,000 customers and natural gas to 382,000 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 to 18,000 customers in the city and borough of Juneau, Alaska, through its subsidiary [Alaska Electric Light and Power Company](#). 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 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, 2023 and the Quarterly Report on Form 10-Q for the quarter ended Sept. 30, 2024.

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