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Avista requests recovery of costs for providing service in Oregon

Investments in infrastructure and reliability drive rate request

SPOKANE, Wash., March 16, 2020, 1:05 p.m. PDT: Continuing capital investments in natural gas infrastructure led Avista (**NYSE: AVA**) to file a request today with the Public Utility Commission of Oregon (PUC) to increase natural gas base rates.

The proposal is designed to increase overall natural gas billed revenue by approximately \$6.8 million or 6.8 percent and is based on a proposed rate of return of 7.50 percent with a common equity ratio of 50 percent and a 9.9 percent return on equity.

"We continue to invest in the natural gas system in Oregon, and this general rate request includes projects that support the safe, reliable delivery of natural gas to our customers," said Dennis Vermillion, Avista president and CEO. "We understand that this requested increase can be challenging. We continue our focus on maximizing efficiencies throughout the company and minimizing costs where possible.

Capital 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 upgrades. 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 \$3.94 per month increase, or 7.0 percent, for a revised monthly bill of \$60.34 (inclusive of a proposed \$1.00 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	7.0%
General Service Schedule 420	7.5%
Large General Service Schedule 424	1.6%
Interruptible Service Schedule 440	2.1%
Seasonal Service Schedule 444	1.7%
Transportation Service Schedule 456	<u>5.1%</u>
Overall	6.8%

On average, about 30 percent of an Avista bill for Oregon residential customers is the combined costs of purchasing natural gas on the wholesale market and transporting it to our system for delivery to customers. The remaining 70 percent is related to the ownership and operating costs of Avista's delivery system to provide safe, reliable service to all customers, while meeting mandatory state and federal requirements.

Avista serves approximately 104,000 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.

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.avistautilities.com) is our operating division that provides electric service to 395,000 customers and natural gas to 362,000 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.alaskalightandpower.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, 2019.

SOURCE: Avista Corporation

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