



Avista General Rate Case Public Comment Hearing Information Sheet

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How much is Avista's requested rate increase for electric and natural gas customers?

Avista filed a request with the Washington Utilities and Transportation Commission ("UTC") to increase its electric and natural gas rates. Avista is requesting an overall revenue increase of \$40.2 million (7.6 percent) for electric and \$10.7 (10.2 percent) for natural gas service. The Company proposes to increase the amount of profit paid to investors from 9.4 percent to 9.9 percent, which is paid by Avista's customers.

Although Avista's proposal would increase the average residential electric customer's bill by \$6.53 (7.9 percent) and residential gas customer's bill by \$3.73 (6.6 percent), they propose to entirely offset rate increases through a refund generated through a tax accounting change. This results in no immediate change to electric or natural gas customer bills. The tax credits are temporary, however. Under Avista's proposal, the credits would only offset the bill increase from October 1, 2021 through early 2023 for electric customers and through September 2023 for gas customers.

Why is Avista requesting a rate increase?

Avista argues that major capital investments are necessary to provide safe and reliable service. In particular, Avista is seeking to recover the cost of electric smart meter installation and collect a return on that investment, major wildfire prevention projects, major investments in new electric distribution equipment, and capital improvements to the Colstrip coal-burning plant in Montana. The Company claims that costs to provide safe natural gas service are rising, requiring a hike in customer rates.

Who are the parties in this case?

The UTC considers the recommendations of every party, and no party's recommendation is considered binding. The following parties are participating in this proceeding:

- Avista
- UTC Staff *
- Washington Attorney General's Office, Public Counsel Unit (residential and small business customer advocate)
- Alliance of Western Energy Consumers (large industrial customer advocate)
- Inland Empire Paper (large industrial customer)
- Sierra Club (environmental advocate)
- The Energy Project (low-income customer advocate)

*In formal UTC proceedings, regulatory Staff participates like any other party and UTC Commissioners make the decision. The Commissioners, the presiding administrative law judge, and the Commissioners' policy and accounting advisors do not discuss the merits of the proceeding with any party, including UTC Staff, without giving notice and an opportunity for all parties to participate.

Has Public Counsel taken a position?

Yes. Public Counsel and the other parties filed testimony responding to Avista's request on April 21, 2021. Public Counsel's investigation provided the evidence that Avista's requested rate increases are too high. Under Public Counsel's proposal, electric rates would increase by \$8.5 million (1.6 percent) for electric and \$4.4 million (4.4 percent) for natural gas service. This would result in a \$1.34 increase (1.6 percent) to the average residential electric customer's bill and \$1.51 increase (2.7 percent) to the average residential natural gas customer's bill. Public Counsel accepts Avista's proposed tax credits, which would result in no bill increases for Avista's customers. However, Public Counsel's proposal results in the tax credits benefitting customers over a longer period of time due to more modest rate increases.



When will there be a decision?

By law, the UTC has up to 11 months to review the filing and make a decision. New rates from this case will go into effect no later than October 1, 2021. The UTC will hold an evidentiary hearing on July 7 and 9, 2021, and will issue its decision in time for the new rates to go into effect.

How can customers comment to the UTC about this case?

The UTC is holding a virtual public hearing to take comments on June 16, 2021, at 6pm. You can participate via the Microsoft Teams link below or by phone:

June 16, 2021, at 6pm

Microsoft Teams: <https://bit.ly/34Glp87>

Phone: (253) 372-2181 and enter Conference ID 328 665 042#

If you plan to participate, please call 1-888-333-9882 at least one day before the hearing to sign in. When you join the hearing via Teams, please mute your connection using the button with the image of a microphone. If participating via phone, press *6 or mute your phone.

The public can also submit comments in the following ways:

- Via UTC web form at: utc.wa.gov/consumers/ (click on "Submit a Comment" link at the top of the web page)
- By e-mail at: comments@utc.wa.gov
- By mail at: **UTC, P.O. Box 47250, Olympia, WA 98504-7250**
- By phone: **1-888-333-WUTC (9882)**

Please include your name and mailing address, Avista General Rate Case, and Docket Numbers UE-200900 and UG-200901. For more information, see <http://www.utc.wa.gov/>, or call 1-800-562-6150.

Who is Public Counsel?

The Public Counsel Unit of the Washington Attorney General's Office represents residential and small business customers of state regulated electric, natural gas, water, and telecommunications companies and customers of transportation companies regulated by the UTC. Public Counsel advocates on behalf of customers before the UTC and courts regarding rates, mergers, business practices, service quality, energy efficiency, safety, and policy matters. You can contact Public Counsel by email at: utility@atg.wa.gov, or by mail at: Attorney General's Office, Public Counsel Unit, 800 Fifth Avenue, Suite 2000, Seattle, WA 98104.

