

# What drives natural gas rates up can also drive them down.

At Avista, we've been listening to our customers and the community. Here's what we've heard so far. You've told us you're concerned about energy costs, and you want to be sure the rates you pay are fair.

**Let's start with your natural gas rates.** As a regulated utility, our job is to provide energy whenever you need it. Rates have to cover two kinds of costs. First is the cost of delivering energy – the equipment and the people needed to provide safe, reliable service. We work hard to keep these costs as low as possible.

Second, there's the cost of energy. We buy natural gas to meet your needs on the wholesale market. We have purchasing plans and decades of experience that help to keep these costs as low as possible, too. But ultimately the cost is set by the market, and natural gas prices can fluctuate up and down.

**The wholesale cost of energy is a major rate driver.** In fact, the cost of natural gas accounts for about 75 percent of your gas bill. We don't mark up that cost. You pay what we pay.

While the wholesale energy costs that we don't fully control can sometimes drive rates up, they can also drive them down. This year the price of natural gas has dropped, so we are passing along those savings as a decrease in the rate you pay – the second decrease this year. Together, these two decreases have lowered average rates about 11 percent. If prices continue at current levels, we hope to reduce natural gas rates again before year's end.

Normally, a price adjustment like this is announced in the fall. But because many of our customers have been affected by the economy, we proposed passing on this decrease now, and the regulatory commission agreed.

**That brings us to fairness.** Because we're a regulated utility, our rates are set by the state regulatory commission. They scrutinize our costs and set rates they consider to be reasonable and fair.

We're interested in your thoughts and questions. Share them at [www.avistautilities.com/conversation](http://www.avistautilities.com/conversation), or email us at [conversation@avistautilities.com](mailto:conversation@avistautilities.com).

Join the  
conversation

Do you have questions or ideas to share about your natural gas rates? Be part of the new conversation at [www.avistautilities.com/conversation](http://www.avistautilities.com/conversation).