



Case No. AVU-G-17-06

Order No. 33975

Contact: Matt Evans

(208) 334-0339

(208) 520-4763

www.puc.idaho.gov

Regulators approve decrease to Avista natural gas rates to reflect market conditions

BOISE (Jan. 26, 2018) – Idahoans who receive natural gas service from Avista Utilities will pay less this winter after regulators approved a decrease to the Purchased Gas Cost Adjustment (PGA) set on Nov. 1, 2017 through the company's annual PGA filing.

The decision by the Idaho Public Utilities Commission took effect Jan. 26 and lowers rates by 6.4 percent for residential customers.

That equates to a savings of \$2.73 per month for a residential customer who uses 49 therms per month.

The PGA is adjusted annually to account for changes in costs Avista incurred over the previous year purchasing, storing and transporting the natural gas required to serve approximately 75,000 customers in north Idaho.

About 40 percent of an Avista customer's natural gas bill is tied to the costs of purchasing natural gas on the wholesale market and transporting it to the utility's system.

These costs vary and can be difficult to predict since they are based on fluctuating market conditions.

If the costs do not match the amount that customers paid into the PGA account, the PGA allows Avista to balance the two, with Commission approval.

When natural gas prices are lower than the PGA amount already included in rates, customers receive a one-year credit. When market prices are higher than expected, customers get a one-year surcharge.

The PGA is typically adjusted in the fall.

A 2.4-percent decrease to the PGA took effect Nov. 1, 2017.

In late December 2017, Avista asked the Commission to authorize a second reduction so that customers could benefit from lower costs during the winter heating season.

The decrease is expected to lower the company's annual revenue by approximately \$3.2 million, or 7.4 percent. The change does not affect Avista's earnings.

Large General Service customers will see the biggest impact, 10.3-percent reduction, while General Service customers (residential and small commercial) will see an average decrease of 6.7 percent.

The decrease means the bill for a residential customer using 49 therms drops from \$42.64 to \$39.91.

The Commission's order and other documents pertaining to the case can be found at www.puc.idaho.gov. Click on "Open Cases" under the "Natural Gas" heading and scroll down to case number AVU-G-17-06. Or go [here](#).