



Idaho Public Utilities Commission

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Case No. AVU-E-19-04
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Commission to hold public hearing on Avista rate case

BOISE (November 5, 2019) – Parties to an Avista rate case have proposed a settlement that reduces the utility's annual electric base revenues in Idaho. If approved by the Idaho Public Utilities Commission, the settlement would decrease annual base electric revenues by \$7.18 million, or 2.84 percent, effective Dec. 1, 2019.

Avista's original proposal called for an increase in electric base revenues of \$5.3 million, or 2.1 percent.

The Commission has scheduled a public workshop and public hearing for Idaho customers of Avista at 6 p.m. (PST) on November 7, 2019, in Coeur D'Alene, Idaho at the Blue Creek/Echo Bay Room at the Edminster Student Union Building on the North Idaho College campus.

The public workshop will be from 6 p.m. to 7 p.m. (PST) and will allow the company's customers to learn more about its original request and the proposed settlement agreement. The public hearing will start at 7 p.m. (PST) and will provide Avista customers an opportunity to provide testimony that will be made part of the formal case record.

A technical hearing has also been set for November 22, 2019, at 9:30 a.m. (MST) in the Commission's hearing room at 11331 Chinden Blvd., Bldg. 8, Suite 201-A, Boise, Idaho 83714. Technical hearings allow intervening parties to present testimony and evidence.

A public telephonic hearing will also take place on November 22, 2019, beginning at 10:30 a.m. to 12 p.m. (MST) which will allow Avista's Idaho customers an additional opportunity to provide testimony that will be made part of the formal case record. To participate in the telephonic public hearing, interested persons can call 1-800-920-7487 at the designated time, and enter the passcode 6674832# when prompted.

Written comments will be accepted until the close of business on November 22, 2019. Avista serves approximately 133,000 electric customers in northern Idaho.

The Spokane-based company said the primary driver for its original request is an increase in net plant investment (including return on investment, depreciation and taxes, and offset by the tax benefit of interest) from that currently authorized. In addition, net power supply expense is

reduced from the currently authorized level, offsetting the Company's overall increase as originally requested.

Idaho state law requires that regulated utilities be allowed to recover their prudently incurred expenses and earn a reasonable rate of return, which is established by the Commission. The burden of proof is on the utility to demonstrate that additional capital investment was necessary to serve customers and, if so, that the expenses were prudently incurred.

The proposed settlement calls for several reductions to the company's original proposal. For Avista's electric operations, those changes include a \$2.2 million decrease to the Company's proposed 2019 revenue requirement tied to a reduction in return on common equity, a reduction of nearly \$744,000 through the elimination of officer incentive pay and salary increases and a reduction in non-officer incentives and salary increases, and a reduction of approximately \$6.4million due to reduced power supply costs.

The proposed settlement agreement was reached between the parties to the case after a settlement conference in late September. Those parties include the Commission Staff, Clearwater Paper Corporation, Idaho Conservation League, Inc., Idaho Forest Group, LLC, the Community Action Partnership Association of Idaho, Inc. and Walmart, Inc.

If approved by the Commission, the proposed settlement would decrease Avista's annual base electric revenues by \$7.18 million, beginning on December 1, 2019. The revenue decreases are based on a 9.5-percent return on equity, down from a 9.9-percent return on equity in Avista's original proposal.

For a residential electric customer using an average of 900 kilowatt-hours per month, the proposed settlement would lead to a decrease of \$0.86, or 1.0 percent decrease per month for a revised monthly bill of \$84.45.

Avista's application and exhibits are available on the Commission's website. Click on "Open Cases" under the "Electric" heading and scroll down to Case No. [AVU-E-19-04](#).

To submit written comments, go to the Commission website, www.puc.idaho.gov, and click on "Case Comment Form" under the "Electric" heading and enter the case number. Comments can also be mailed to the Idaho Public Utilities Commission, P.O. Box 83720, Boise, ID, 83720-0074.