

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE POWER COST ) CASE NO. AVU-E-17-07**  
**ADJUSTMENT (PCA) ANNUAL RATE )**  
**ADJUSTMENT FILING OF AVISTA ) NOTICE OF APPLICATION**  
**CORPORATION )**  
**) NOTICE OF**  
**) MODIFIED PROCEDURE**  
**)**  
**) ORDER NO. 33841**  
**)**

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On August 1, 2017, Avista Corporation dba Avista Utilities filed its Power Cost Adjustment (PCA) annual rate adjustment. The Company requests that the Commission issue an Order approving the level of power costs deferred for the period July 1, 2016 through June 30, 2017, and approve a PCA rebate rate of 0.240 cents per kilowatt-hour to be effective October 1, 2017. Application at 1. The Commission now issues this Notice of Application and Notice of Modified Procedure setting comment and reply deadlines.

**BACKGROUND**

The Company's PCA is used to track changes in revenue and costs associated with variations in hydroelectric generation, secondary prices, thermal fuel costs, and changes in power contract revenues and expenses. The Company's existing PCA methodology and method of recovery were approved in Order No. 30361 (Case No. AVU-E-07-01). The present PCA became effective on October 1, 2016. See Order No. 33605.

**NOTICE OF APPLICATION**

YOU ARE HEREBY NOTIFIED that the Company's power cost deferrals for the period July 2016 through June 2017, including renewable energy credit retirement benefits and interest, total (\$7,233,993). Application at 4. The deferral amount includes: (1) the amount by which Idaho's share of power supply expenses was lower than the authorized level; (2) the credit to Idaho customers for Renewable Energy Credits (RECs) retired to meet the Washington Renewable Portfolio Standard that would otherwise have been sold (referred to as renewable energy credit retirement benefits); and (3) interest. Johnson Direct at 2.

YOU ARE FURTHER NOTIFIED that the factors leading to the lower-than-authorized power supply costs were better than normal hydro generation, lower wholesale power prices and other contract changes, lower net transmission expense due to higher than anticipated third-party transmission revenue, and higher than expected REC sales revenue. *Id.* at 3. The lower net expense was partially offset by increased expense from Palouse Wind. *Id.* Each item is further described and quantified in the testimony of Company witness William Johnson. *See id.* at 3-5.

YOU ARE FURTHER NOTIFIED that the Company also describes four long-term power purchase contracts it entered into between July 2016 and June 2017. *Id.* at 5-6. Two contracts are with Mid-Columbia hydro plant owners and two are with qualifying facilities under the Public Utility Regulatory Policies Act (PURPA). *Id.* The Company had existing contracts with each of the four plants. *Id.*

YOU ARE FURTHER NOTIFIED that the Company also explains the history of the PCA, the calculation of the proposed rebate rate of .0240 cents per kilowatt-hour, and the percentage decrease by rate schedule. *See* Ehrbar Direct and Exhibit PDE-1. The Company requests an effective date of October 1, 2017. Application at 1.

YOU ARE FURTHER NOTIFIED that the Company explains that the current PCA rebate for all customers is 0.017 cents per kilowatt-hour. Ehrbar Direct at 6. With the increase in the rebate to 0.240 cents per kilowatt-hour, residential customers using an average of 910 kilowatt hours per month “would see their monthly bills decrease from \$86.39 to \$84.36, a decrease of \$2.03 per month, or 2.4%.” *Id.*

YOU ARE FURTHER NOTIFIED that the Company also describes that its bill paying assistance programs continue to be available to customers. *Id.* at 7-8.

YOU ARE FURTHER NOTIFIED that the Company’s Application includes an exhibit, Exhibit A, showing the updated rate schedule for the PCA, Schedule 66, with the proposed change to the PCA. The Application also includes a draft news release that would provide customers with details on the PCA filing and other filings.

YOU ARE FURTHER NOTIFIED that the Application and supporting documentation have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. These documents are also available on

the Commission's web site at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click on the "File Room" tab at the top of the page, then select "Electric Cases" and click on the case number as shown on the front of this document.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and specifically *Idaho Code* §§ 61-502 and 61-503. The Commission may enter any final Order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

#### **NOTICE OF MODIFIED PROCEDURE**

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter, and that it will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Commission's Rules of Procedure, IDAPA 31.01.01.201 through .204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on this Application may file a written comment in support or opposition with the Commission no later than **September 15, 2017**. The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this Application shall be mailed to the Commission and the Company at the addresses reflected below:

Commission Secretary  
Idaho Public Utilities Commission  
PO Box 83720  
Boise, ID 83720-0074

Street Address for Express Mail:

472 W. Washington Street  
Boise, ID 83702-5918

David J. Meyer, Vice President and Chief  
Counsel for Regulatory and Government  
Affairs  
Avista Corporation  
P.O. Box 3727  
MSC-27  
1411 E. Mission Ave.  
Spokane, WA 99220-3727  
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Electronically filed documents:  
E-mail: [Dockets@avistacorp.com](mailto:Dockets@avistacorp.com)

These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click the "Case Comment or Question Form" under the "Consumers" tab, and complete the comment form using the case number as it appears on the front of this document. These comments must also be sent to Avista at the e-mail addresses listed above.

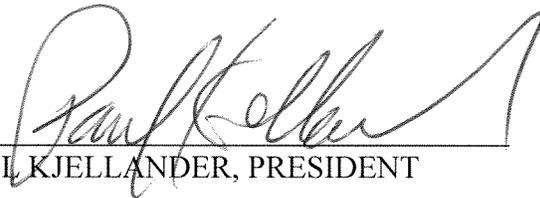
YOU ARE FURTHER NOTIFIED that the Company shall file reply comments, if necessary, no later than **September 20, 2017**.

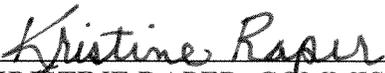
YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

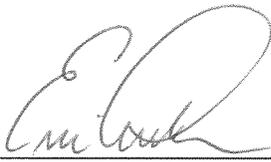
**ORDER**

IT IS HEREBY ORDERED that the Application of Avista Utilities be processed by Modified Procedure, Rule 201-204 (IDAPA 31.01.01.201-.204). Persons interested in submitting written comments must do so no later September 15, 2017. The Company may file a reply no later than September 20, 2017.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this <sup>16<sup>th</sup></sup> day of August 2017.

  
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PAUL KJELLANDER, PRESIDENT

  
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KRISTINE RAPER, COMMISSIONER

  
\_\_\_\_\_  
ERIC ANDERSON, COMMISSIONER

ATTEST:

  
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Diane M. Hanian  
Commission Secretary

O:AVU-E-17-07\_cc