



## Idaho Public Utilities Commission

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Case No. AVU-E-16-03, Notice of Public Workshops  
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## Commission staff to conduct customer workshops regarding Avista Utilities' rate increase proposal

*Workshops are Sept 21 in Moscow, Sept. 22 in Coeur d'Alene*

**BOISE (August 22, 2016)** – Staff from the Idaho Public Utilities Commission will be in Moscow and Coeur d'Alene to answer questions from Avista Utilities' customers regarding its application to increase base rates by an average 6.3 percent.

The first workshop will be Sept. 21 at 7 p.m. at the 1912 Center on 412 E. Third St. in Moscow. The second workshop will be Sept. 22 at 6:30 p.m. at the Coeur d'Alene Public Library on 702 E. Front Avenue.

At the workshops, the commission staff will explain the company's application and how the commission evaluates and decides a rate case. The staff will not take any positions on the merits of Avista's case during the workshop, but will do so when staff files its comments on Oct. 25. The purpose of the workshop is to hear feedback from customers, which will help the staff in the development of its comments.

After commission staff and other parties to the case file their comments on Oct. 25, Avista will file rebuttal comments by Nov. 21. Technical hearings are tentatively scheduled the week of Dec. 2 and public hearings may be held at about the same time. Definite dates and locations for possible public hearings will be announced later.

Other parties to the case include the Clearwater Paper Corporation, Idaho Forest Products, the Snake River Alliance and the Community Action Partnership Association of Idaho, which primarily represents customers on low- and fixed-incomes.

Avista's application, supporting testimony and exhibits are available on the commission's website at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click on "Open Cases" under the "Electric" heading and scroll down to Case No. AVU-E-16-03.

On May 26, Avista, which serves about 125,000 electric customers from the Grangeville area north, filed an application with the commission to increase its annual electric revenue by \$15.4 million, or 6.3 percent.

If the commission were to grant Avista's request in full, a residential customer who uses the company average of 918 kilowatt-hours per month would see an increase of about \$6.54 per month. That includes a proposed increase in the monthly customer service charge from \$5.25 per month to \$6.25. The company seeks a 7.78 percent rate of return and a 9.9 percent return on equity.

The commission's staff of auditors, engineers and attorneys are in the midst of a six-month investigation of Avista's application. The commission, by state law, cannot accept or deny the requested increase without first considering the evidence. State law requires that regulated utilities be allowed to recover their prudently incurred expenses and earn a reasonable rate of return, which is also 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, were the expenses prudently incurred. Commission rulings can be appealed to the state Supreme Court by either the utility or customer groups.

Avista claims about 77 percent of the proposed increase is attributable to an increase in net plant investment. The company says it will invest \$165.4 million in 2016 and \$75.8 million in 2017 in generation plants, including \$77 million in improvements at the 108-year-old Nine Mile Falls hydroelectric plant northwest of Spokane on the Spokane River. Another \$35 million in improvements are under way at the Little Falls plant further west of the Nine Mile Falls plant. Some \$25 million in improvements are planned for Avista's portion of the Colstrip coal plant in eastern Montana.

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