



Case No. AVU-G-16-02, Order No. 33594

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www.puc.idaho.gov

Avista's annual PGA is proposed 7.7 percent decrease

BOISE (Sept. 23, 2016) – The Idaho Public Utilities Commission will take comment through Oct. 11 on an Avista Utilities application to decrease the variable portion of natural gas rates by 7.8 percent effective Nov. 1.

The variable portion of Avista rates, which is about 50 percent of the total overall rate on a customer bill, is adjusted every year to account for changes in Avista's costs to buy natural gas as well as changes in transportation, storage and other related costs. Because these costs are based on always changing market conditions, the commission adjusts the forecasted rate every year to match actual cost.

If the commission were to approve Avista's annual Purchased Gas Cost Adjustment (PGA), the average residential or small commercial customer would see a decrease of about \$4.65 per month.

The proposed decrease is primarily attributable to a reduction in natural gas commodity costs due to a warmer than normal 2015-16 winter, an abundance of natural gas in storage and continued high production levels of natural gas.

During years when natural gas prices are lower than that already included in rates, customers get a one-year credit. When market prices are higher than included in rates, customers get a one-year surcharge. Neither an increase nor a decrease to the PGA impacts Avista's earnings.

To comment on Avista's application, go to the commission's web site at www.puc.idaho.gov. Click on "Open Cases" under the "Natural Gas" heading and scroll down to Case No. AVU-G-16-02.

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