



Case No. AVU-G-16-02, Order No. 33637
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Avista gas rates decreasing an average 7.8 percent

BOISE (October 28, 2016) – The Idaho Public Utilities Commission has approved 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 forecasted rate is adjusted every year to match actual cost.

The average residential or small commercial customer will see a decrease of about \$4.65 per month as a result of Avista’s annual Purchased Gas Cost Adjustment (PGA).

The 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.

Avista also has an application before the commission to increase base electric rates by an average 2.6 percent. The proposed increase is the result of a negotiated settlement between commission staff, Avista and other parties to the case that reduces Avista’s original request from an average 6.3 percent increase to 2.6 percent. The commission has yet to rule on the proposed settlement.

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