



Case No. AVU-E-17-05, Order No. 33895

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BPA credit to increase for Avista electric customers, leading to rate decrease

BOISE (Sept. 29, 2017) – Avista’s electric customers will see their power bills decrease slightly due to a change in a federal rate credit.

The Residential and Small Farm Energy Credit will lower the bill of the average residential- and small farm customer by 0.2 percent. That equates to a savings of 16 cents on the monthly bill of a residential customer using an average of 910 kilowatt-hours (kWh).

It is one of four billing adjustments approved by the Idaho Public Utilities Commission set to take effect Oct. 1.

Two of the changes increase charges related to energy use, while two decrease the cost per kWh. The overall impact on residential customers is a 2-percent increase, or \$1.73 on the monthly bill of the average residential customer using 910 kWh.

The Residential and Small Farm Energy Credit is the result of an agreement between the company and the Bonneville Power Administration (BPA) that passes through to customers the benefits of the federal Columbia River hydropower system.

BPA markets and distributes the wholesale power generated through the system, which consists of 31 federal hydroelectric projects on the Columbia and Snake rivers.

While customers of publicly owned utilities (rural cooperatives, for example) have preferential access to BPA power, the Northwest Power Act of 1980 requires that customers of private, investor-owned utilities also share in the benefits of the federal hydro system through a rate credit as part of BPA’s Residential Exchange Program.

The amount of the credit is determined by formulas using a number of factors, including a utility’s average system cost for producing power.

If an investor-owned utility's average system-wide generation costs lead to rates higher than those offered to BPA's public-utility customers, customers of the investor-owned utility are issued a credit.

The credit is adjusted every other year, pending Commission approval.

The credit, set to take effect Oct. 1, will be 0.078 cents per kilowatt-hour used, up from 0.060 cents per kilowatt-hour. It will remain in place through fall 2019.

The credit is expected to provide \$940,000 in annual BPA-related benefits to the 130,000 Idahoans who receive electric service from Avista.

Documents related to the case can be found [here](#), or by visiting the PUC site, www.puc.idaho.gov. Click on "Open Cases" under the "Electric" heading and scroll down to case number AVU-E-17-05.