



Case No. AVU-E-17-06, Order No. 33897

Contact: Matt Evans

(208) 334-0339 office

(208) 520-4763 cell

www.puc.idaho.gov

PUC approves change to Avista efficiency rider, rates to increase Oct. 1

BOISE (Sept. 29, 2017) – State regulators have approved an increase in the energy efficiency surcharge for Avista’s electric customers.

The change to the Energy Efficiency Rider will lead to an increase of \$1.37 on the monthly bill for an average residential customer using 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 an additional \$1.73 on the monthly bill of the average residential customer using 910 kWh.

Avista’s Energy Efficiency Rider allows the utility to recover the costs incurred providing electric efficiency services to its customers, and to match future revenue with expenses budgeted for energy efficiency programs.

The company offers nearly three dozen programs that provide incentives to residential and non-residential customers who enact energy efficiency measures, including weatherization and heating system upgrades.

Avista also provided approximately \$750,000 in 2016 for a low-income weatherization program administered by the Community Action Partnership Association of Idaho.

In 2016, Avista said, the programs were underfunded by approximately \$9.7 million. The primary reason for the deficit, according to Avista, is a non-residential lighting program that exceeded its budget by \$9 million.

The increase approved by the Commission is expected to boost revenue by approximately \$3.9 million annually.

That is expected to draw down the balance on the efficiency rider account to close to \$0 within 36 months while providing adequate revenue to meet forecasted expenses for the company's energy efficiency programs.

The new energy efficiency surcharge for residential service will be 0.395 cents per kilowatt-hour used for residential service, up from 0.245 cents per kWh, while the surcharge will increase to 0.427 cents per kWh for general service customers, up from 0.271 cents per kWh.

Programs funded by the rider will be scrutinized for prudence in a future proceeding. Expenses incurred through the programs must be cost-effective in order for the costs to be recovered through customer funds. Expenses not found to be prudent must be paid by shareholders rather than customers.

Revenue from the Energy Efficiency Rider cannot be used for company earnings.

This case is unrelated to Avista's proposed merger and the rate case currently before the Commission.

Documents related to this case are available for review on the Commission's website, puc.idaho.gov. To access it, click on "Open Cases" under the "Electric" heading and scroll down to Case No. AVU-E-17-06. Or go [here](#).