



Case Nos. AVU-E-17-07, Order No. 33894

Contact: Matt Evans

(208) 334-0339 office

(208) 520-4763 cell

www.puc.idaho.gov

Avista rates to decrease due to change to billing mechanism reflecting power costs

BOISE (Sept. 29, 2017) – Avista customers will see a rate decrease tied to lower-than-expected power-supply costs.

The company will refund approximately \$7.3 million to its Idaho customers through a change to the Power Cost Adjustment (PCA) approved by the Idaho Public Utilities Commission.

That equates to a decrease of \$2.03 on the monthly bill of the average residential customer using 910 kilowatt-hours (kWh).

It is one of four billing adjustments 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 PCA allows Avista to modify its rates annually when its costs generating and purchasing power to serve its customers do not equal the revenue recovered through rates.

It's a true-up mechanism that reflects costs and revenues from the previous year, in this case July 1, 2016 through June 30, 2017.

When costs exceed revenue, the PCA appears as a surcharge on customer bills. When revenue exceeds actual power costs, however, customers receive a rebate.

The current PCA is a rebate assessed at a rate of .017 cents per kWh used for all customers. That credit increases to 0.240 cents per kWh.

For a residential customer using 910 kWh per month, that will drop the monthly bill from \$86.39 to \$84.36.

Avista said PCA revenues exceeded power supply costs in 2016-17 primarily because of lower wholesale prices for electricity and natural gas.

It's the second consecutive year the company has given customers a rebate via the PCA.

A year ago, the Commission approved Avista's request to refund approximately \$500,000, leading to a slight decrease in the consumptive charge for residential customers. That rebate is set to end on Sept. 30, one day before the new PCA takes effect.

The company's application is 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-17-07. Or go [here](#).