

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF AVISTA CORPORATION DBA AVISTA)	CASE NOS. AVU-E-15-05
UTILITIES FOR AUTHORITY TO)	AVU-G-15-01
INCREASE ITS RATES AND CHARGES FOR)	
ELECTRIC AND NATURAL GAS SERVICE)	ERRATA AND SUPPLEMENTAL
IN IDAHO)	ORDER NO. 33460

On January 25, 2016, the Commission issued reconsideration Order No. 33455 denying the Petitioner's Petition for Reconsideration in the above captioned cases. Upon further review, the Commission has determined that the findings regarding executive compensation should be clarified pursuant to Rule 325.¹ The Commission now issues this Errata and Supplemental Order clarifying Order No. 33455. The Commission decision to deny reconsideration remains unchanged.

ERRATA

On page one of Order No. 33455, the Commission stated the following:

“The utility notes that there has been no increase in the base pay for Avista executives since 2011, and that the settlement does not approve an increase in executive base pay for 2016.”

This sentence should read:

“The utility notes that there has been no increase in the base pay for Avista executives *borne by ratepayers* since 2011, and that the settlement does not approve an increase in executive base pay for 2016.”

CLARIFICATION

To clarify the Commission's findings in Order No 33455, the section entitled “Commission Findings and Conclusions” is amended to read as follows:

As set out in the parties' settlement and explained in Avista's reply, the level of executive compensation was an issue addressed by the parties. Stipulation and Settlement at 4-6. The settlement reflects the parties' mutual agreement that all incentive compensation for Avista executives not be paid by ratepayers. In other words, the settlement precludes executives from getting any incentive pay at ratepayer expense. In addition, the settlement also achieved a

¹ Rule 325 allows the “Commission [to] clarify any order on its own motion.” IDAPA 31.01.01.325.

reduction of \$100,000 in non-officer incentives, when compared to the Company's original request. Settlement at 4.

Although executive incentive pay (at ratepayer expense) was prohibited under the settlement, the parties agreed to, and the settlement allowed for, executives to receive an increase in base pay at ratepayer expense. Prior to the settlement, executive base salaries attributable to ratepayers had not increased since 2011. The settlement allows executive base pay as of March 2015 to be included in rates, but prohibits any further base pay increase for 2016.

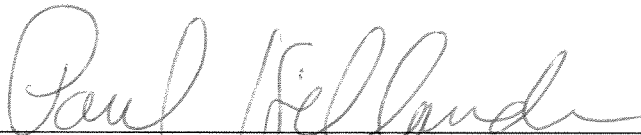
We find that the parties negotiated in good faith, participated in extensive discovery, including audits, and independent staff review. The parties all ultimately agreed to compromise positions including consideration of executive compensation. The parties agreed to a settlement because of a belief that the settlement achieved a better outcome than what might be gained through hearing. We affirm that the settlement is fair, just, reasonable and in the public interest.

As set out in final Order No. 33437, "[t]he settlement represents a reasonable compromise of the positions held by the parties and reflects a significant reduction in the requested revenue increase." *Id.* at 10. Based upon our review of the entire record, we find the settlement and the resulting rates to be reasonable and in the public interest. Accordingly, we deny reconsideration and affirm our prior Order No. 33437.

ORDER

IT IS HEREBY ORDERED that Commission Order No. 33455 is amended, as set forth above pursuant to Rule 325. IDAPA 31.01.01.325.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 29th
day of January 2016.




PAUL KJELLANDER, PRESIDENT



KRISTINE RAPER, COMMISSIONER

Commissioner Anderson did not participate in this case
ERIC ANDERSON, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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