

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION	)	CASE NO. AVU-E-19-04
OF AVISTA CORPORATION DBA)	
AVISTA UTILITIES FOR AUTHORITY	)	NOTICE OF
TO INCREASE ITS RATES AND	)	PROPOSED SETTLEMENT
CHARGES FOR ELECTRIC SERVICE IN)	
IDAHO	)	NOTICE OF PUBLIC
	)	WORKSHOP
)	
	)	NOTICE OF PUBLIC HEARING
)	
	)	NOTICE OF TECHNICAL
	)	HEARING AND TELEPHONIC
	)	PUBLIC HEARING
)	
	)	ORDER NO. 34462
)	

On June 10, 2019, Avista Corporation dba Avista Utilities ("Avista" or the "Company") filed an Application seeking authority to increase the Company's general rates for electric service for its customers in Idaho. The Company proposed an increase in electric base revenues of \$5.255 million or 2.1% to take effect on January 1, 2020.

The Commission issued a Notice of Application and Notice of Intervention Deadline and suspended the proposed effective date to January 1, 2020. *See* Order No. 34368. Clearwater Paper Corporation ("Clearwater Paper"), the Idaho Conservation League, Inc., ("ICL"), the Idaho Forest Group LLC ("Idaho Forest"), the Community Action Partnership Association of Idaho, Inc. ("CAPAI"), and Walmart Inc. ("Walmart") were granted intervention as parties. *See* Order Nos. 34369, 34374 and 34384. On September 12, 2019, the Commission issued a Notice of Scheduling and Notice of Technical Hearing which set a date for the parties to attend a settlement conference, deadlines for the parties to file testimony and exhibits, and scheduled a technical hearing. *See* Order No. 34433.

On October 12, 2019, Avista and the Commission Staff ("Staff") filed a joint Motion for Approval of Stipulation and Settlement ("Motion") notifying the Commission that a stipulation and settlement ("Stipulation") resolving all issues had been reached by the parties. The Stipulation

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was signed by all parties and is attached to the Motion. The Motion requests that the Commission amend the case schedule for review and approval of the proposed Stipulation.

With this Order, we provide notice of the proposed settlement, amend the case schedule, and set a workshop and hearing for customers, and set a technical hearing for the parties followed by a telephonic public hearing for customers.

NOTICE OF PROPOSED SETTLEMENT

YOU ARE HEREBY NOTIFIED that if the Commission approves the Stipulation, the Stipulation would fully resolve the case as follows:¹

1. Revenue Requirement and Effective Date

Avista's annual electric base revenues would decrease by \$7.188 million, or 2.84% (on a billed basis the decrease is 2.80%), effective December 1, 2019.

2. Capital Structure and Cost of Capital

Avista's capital structure and weighted-average cost of capital (rate of return) would be:

Component	Capital Structure	Cost	Weighted-Average Cost of Capital
Debt	50%	5.2%	2.60%
Common Equity	50%	9.50%	4.75%
Total	100%		7.35%

3. Percentage Decrease by Service Schedule

Avista's base rates and billing rates would change by schedule as follows:

¹ Interested persons may view the actual Stipulation and Settlement on the Commission's web site at www.puc.idaho.gov.

Proposed Resulting Percentage Decrease by Electric Service Schedule

Effective December 1, 2019

<u>Rate Schedule</u>	<u>Decrease in Base Rates</u>	<u>Decrease in Billing Rates</u>
Residential Schedule 1	-1.0%	-1.0%
General Service Schedules 11/12	-8.4%	-8.2%
Large General Service Schedules 21/22	-4.5%	-4.4%
Extra Large General Service Schedule 25	-1.0%	-1.0%
Clearwater Paper Schedule 25P	-1.0%	-1.0%
Pumping Service Schedules 31/32	-1.6%	-1.5%
Street & Area Lights Schedules 41-48	0.0%	0.0%
Overall	<u>-2.8%</u>	<u>-2.8%</u>

4. Cost of Service

In the Stipulation, the parties did not agree on any particular cost of service methodology. Recognizing that certain rate schedules are well above their cost of service, the parties agreed that Schedules 11/12 and 21/22 would receive a revenue decrease above the overall percentage base rate change to move them closer to cost-of-service parity. The remaining schedules would also receive revenue decreases below the overall percentage base rate change, at varying levels, to move most of them closer to their cost of service.

5. Low-Income Issues

Low-Income Weatherization Program funding would increase from \$800,000 to \$850,000.

6. Energy Efficiency Commitments

Avista would establish an Energy Efficiency Assistance Fund ("EEAF") to help fund projects not otherwise fully funded through existing energy efficiency incentives or that do not otherwise qualify for traditional energy efficiency funding. The EEAF would be funded as follows:

- i. The final deferral balance related to the "AFUDC Equity Tax Deferral", addressed in Case Nos. AVU-E-19-02 and AVU-G-19-01, as ordered in Commission Order No. 34326 would be a source of funding. The deferral balance is about \$800,000.
- ii. Avista would contribute below-the-line dollars of \$800,000 in 2019 as a match to the estimated AFUDC Equity Tax Deferral (in subsection i.).

The EEAF funds would be disbursed as directed by an EEAF Advisory Group, a new committee of stakeholders tasked with determining which existing or new programs should receive this funding to address energy efficiency, weatherization, conservation, and low-income needs in Avista's Idaho service territory. The EEAF Advisory Group initially would consist of representatives from Avista, Staff, the Lewiston Community Action Partnership, ICL, Idaho Forest, and Clearwater.

7. *Signing Parties*

The Company, Staff, Clearwater Paper, Idaho Forest, CAPAI, ICL, and Walmart have signed the Stipulation, and assert it is in the public interest and is fair, just, and reasonable.

COMMISSION SETTLEMENT RULES

YOU ARE FURTHER NOTIFIED that the Commission will review the Stipulation under Commission Rules 271-280. *See* IDAPA 31.01.01.271-280.

YOU ARE FURTHER NOTIFIED that the Stipulation does not bind the Commission. The Commission will independently review the Stipulation to decide whether to approve it, reject it, or state conditions under which to accept it. The Stipulation's proponents ultimately must prove it is just, fair, and reasonable, in the public interest, or otherwise in accordance with law or regulatory policy.

YOU ARE FURTHER NOTIFIED that the Stipulation, Application, and supporting work papers, testimony, and exhibits are available for public inspection during regular business hours at the Commission's office. They also may be viewed on the Commission's web site at www.puc.idaho.gov by clicking on "File Room" and then "Electric Cases" and then going to the case numbers referenced in the above caption.

PREFILED DIRECT TESTIMONY

YOU ARE FURTHER NOTIFIED that the parties of record in the case have until **October 31, 2019, to file their prefiled testimony with the Commission** regarding the Stipulation. The parties' prefiled testimony and exhibits must conform to Rules 231, 266 and 267 of the Commission's Rules of Procedure. Reference IDAPA 31.01.01.231 and .266-.267. E-copy service on parties of record should be made on the same date, with full service of testimony and exhibits provided to parties of record by the next business day.

PUBLIC COMMENTS

YOU ARE FURTHER NOTIFIED that anyone may file written comments with the Commission about the case and the Stipulation through the close of business on November 22, 2019. The comments may be mailed to the Commission at the address referenced in the following paragraph, or they may be e-mailed by accessing the Commission's home page at www.puc.idaho.gov. Scroll to the "Consumers" tab, click the "Utility Case Comment or Question Form," and complete the form using the case number as it appears on the front of this document. Written comments, with the case caption and case number on them, can also be mailed to the Commission and the Company at the addresses reflected below:

Commission Secretary
Idaho Public Utilities
Commission
PO Box 83720
Boise, ID 83720-0074

Street Address for Express Mail:

11331 W. Chinden Blvd.
Building 8, Suite 201-A
Boise, Idaho 83714

David J. Meyer, Esq.
Vice President and Chief Counsel for
Regulatory & Governmental Affairs
Avista Corporation
P.O. Box 3727
1411 E. Mission Avenue
Spokane, WA 99220-3727
Email: David.Meyer@avistacorp.com

NOTICE OF PUBLIC WORKSHOP

YOU ARE FURTHER NOTIFIED that the Staff will hold a public informational workshop in Coeur d'Alene, Idaho for customers taking electric service from the Company in Idaho on **THURSDAY, NOVEMBER 7, 2019, AT 6:00 P.M. (PST) IN THE BLUE CREEK/ECHO BAY ROOM AT THE EDMINSTER STUDENT UNION BUILDING ON THE NORTH IDAHO COLLEGE CAMPUS, 495 N. COLLEGE DRIVE, COEUR D'ALENE, IDAHO 83814.**

The purpose of the workshop is to provide customers with an overview of the Application and the Stipulation. At the workshop, customers may ask Staff about the Application and Stipulation and how they may further participate in the proceeding. Company representatives will also be available.

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NOTICE OF PUBLIC HEARINGS

YOU ARE FURTHER NOTIFIED that the Commission will convene an in-person public hearing for customers who receive electric service from Avista in Idaho. The purpose of the public hearing is to take testimony from customers of Avista about the Company's Application and the Stipulation. The public hearing will convene on **THURSDAY, NOVEMBER 7, 2019, AT 7:00 P.M. (PST) IN THE BLUE CREEK/ECHO BAY ROOM AT THE EDMINSTER STUDENT UNION BUILDING ON THE NORTH IDAHO COLLEGE CAMPUS, 495 N. COLLEGE DRIVE, COEUR D'ALENE, IDAHO 83814.**

YOU ARE FURTHER NOTIFIED that Avista's Idaho electric customers who cannot attend the in-person public hearing may instead attend a telephonic public hearing on the Application and Stipulation on **FRIDAY, NOVEMBER 22, 2019, FROM 10:30 A.M. UNTIL 12:00 P.M. (MST) (or 9:30 A.M. UNTIL 11:00 A.M. (PST)).** To participate in the telephonic public hearing, interested persons can call **1-800-920-7487** at the designated time, and enter the **passcode 6674832#** when prompted.

NOTICE OF TECHNICAL HEARING

YOU ARE FURTHER NOTIFIED that the Commission also will convene a **technical hearing**. The purpose of the technical hearing is to take testimony from the parties (the Company, Staff, and the signing intervenors) about the Stipulation. The technical hearing will convene on **FRIDAY, NOVEMBER 22, 2019, AT 9:30 A.M. (MST) IN THE COMMISSION'S HEARING ROOM AT 11331 CHINDEN BLVD., BUILDING 8, SUITE 201-A, BOISE, IDAHO 83714.**

YOU ARE FURTHER NOTIFIED that the workshop and all hearings in this case will be held in facilities meeting the accessibility requirements of the Americans with Disabilities Act. Persons needing the help of a sign language interpreter or other assistance to participate in or to understand testimony and argument at a public hearing may ask the Commission to provide a sign language interpreter or other assistance at the workshop or hearings. The request for assistance must be received at least five (5) working days before the hearing by contacting the Commission Secretary at:

IDAHO PUBLIC UTILITIES COMMISSION
PO BOX 83720
BOISE, IDAHO 83720-0074
(208) 334-0338 (Telephone)
(208) 334-3762 (FAX)
E-Mail: secretary@puc.idaho.gov

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and that the Commission may enter any final Order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

ORDER

IT IS HEREBY ORDERED that an amended schedule, as set forth above, is adopted.

IT IS FURTHER ORDERED that the parties to the Stipulation have until October 31, 2019, to file prefiled testimony and any exhibits with the Commission about the Stipulation.

IT IS FURTHER ORDERED that anyone may file written comments with the Commission about the case and the Stipulation through the close of business on November 22, 2019.

IT IS FURTHER ORDERED that the Commission Staff will hold a public informational customer workshop in Coeur d'Alene, Idaho on Thursday, November 7, 2019, as noted above.

IT IS FURTHER ORDERED that the Commission will convene a public customer hearing in Coeur d'Alene, Idaho on Thursday, November 7, 2019, as noted above.

IT IS FURTHER ORDERED that the Commission will convene a technical hearing for the parties to testify on Friday, November 22, 2019, as noted above.

IT IS FURTHER ORDERED that the Commission will hold a telephonic public customer hearing on Friday, November 22, 2019, as noted above.


DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this *22nd*
day of October 2019.



PAUL KJELLANDER, PRESIDENT




KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane Hanian
Commission Secretary

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