

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF COMMISSION) **CASE NOS. IPC-E-20-24**
STAFF’S PETITION TO UPDATE INPUTS)
TO THE COLSTRIP METHOD AND TO) **AVU-E-20-04**
DISCONTINUE THE SUMAS METHOD)
) **NOTICE OF PETITION**
)
) **NOTICE OF**
) **MODIFIED PROCEDURE**
)
) **ORDER NO. 34674**

On May 14, 2020, Commission Staff filed a Petition requesting the Commission approve the annual update to the Colstrip Method of calculating avoided cost rates for certain qualifying facilities under the Public Utility Regulatory Policies Act of 1978. Staff’s Petition also asked the Commission to discontinue the Sumas Method of calculating avoided cost rates.

The Commission now sets comment deadlines on the Petition.

NOTICE OF PETITION

YOU ARE HEREBY NOTIFIED that the Commission approved the Colstrip Method in Order No. 28708, Case No. GNR-E-99-1. The Colstrip Method applies to certain contracts executed between September 28, 1990 and January 30, 1995. Idaho Power Company (“Idaho Power”) and Avista Corporation (“Avista”) still have contracts in which avoided costs rates were set under the Colstrip Method. PacifiCorp dba Rocky Mountain Power no longer has contracts that use the Colstrip Method.

YOU ARE FURTHER NOTIFIED that the adjustable portion of the Colstrip Method is updated annually using variable costs associated with operating Colstrip, a coal-fired generating facility in southeast Montana. The Colstrip Method is the summation of the cost of coal per megawatt hour (“MWh”) and the average variable operations and maintenance costs and generation taxes minus a line loss adjustment.

YOU ARE FURTHER NOTIFIED that as computed by Commission Staff, this year’s update to the adjustable portion of the Colstrip Method will result in a change from 16.17 mill/kWh to 16.55 mill/kWh, effective July 1, 2020.

YOU ARE FURTHER NOTIFIED that each Idaho utility indicates it no longer has an effective contract utilizing the Sumas Method. The Sumas Method applied to certain contracts executed between January 31, 1995 and September 26, 2002. The adjustable portion of the avoided cost rates under the Sumas Method was based on annual average gas prices indexed at Sumas, Washington.

YOU ARE FURTHER NOTIFIED that in Order No. 25883, the Commission directed Avista to track the Sumas fuel prices and submit them to the Commission each year. Commission Staff recommends the Commission no longer require Avista to annually provide Sumas natural gas prices to the Commission, and that the Commission discontinue all requirements related to the Sumas Method.

YOU ARE FURTHER NOTIFIED that the Petition is available for public inspection during regular business hours at the Commission's office. These documents are also available on the Commission's web site at www.puc.idaho.gov. Click on the "ELECTRIC" tab at the top of the home page, then select "Open Cases," and then locate and click on the case number as shown on the front of this document.

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 specifically *Idaho Code* §§ 61-501 to 61-503.

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.*

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter, and that it will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Commission's Rules of Procedure, IDAPA 31.01.01.201 through .204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on this Application must file a written comment in support or opposition with the Commission within **21-days of the service date of this Order**. The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their

written comments. Written comments concerning this Petition should be sent electronically, unless email is not available, to the Commission, Commission Staff, and the utilities at the email addresses reflected below:

**For the Idaho Public Utilities
Commission:**

Commission Secretary
Idaho Public Utilities Commission
P.O. Box 83720
Boise, ID 83720-0074

Street Address for Express Mail:

11331 W. Chinden Blvd.
Building 8, Suite 201-A
Boise, Idaho 83714
Email: secretary@puc.idaho.gov

For Idaho Power:

Donovan E. Walker
Michael Darrington
Energy Contracts
Idaho Power Company
1221 West Idaho Street 83702
P.O. Box 70
Boise, ID 83707-0070
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MDarrington@idahopower.com
dockets@idahopower.com
energycontracts@idahopower.com

For Commission Staff:

Edward Jewell
Mike Louis
Idaho Public Utilities Commission
P.O. Box 83720
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Email: Edward.Jewell@puc.idaho.gov
Mike.Louis@puc.idaho.gov

For Avista:

Michael Andrea
Clint Kalich
Avista Utilities
1411 E. Mission
P.O. Box 3727
Spokane, WA 99220-3727
Email: Michael.Andrea@avistacorp.com
Clint.Kalich@avistacorp.com

Comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via email may do so by accessing the Commission's home page located at www.puc.idaho.gov. Click the "Consumers" tab then click the "Case Comment Form," and complete the comment form using the case number as it appears on the front of this document. These comments must also be sent to the Applicant.

YOU ARE FURTHER NOTIFIED that Commission Staff must file any reply comments within **28-days of the service date of this Order.**

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its Order

without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

ORDER

IT IS HEREBY ORDERED that Commission Staff's Petition be processed by Modified Procedure, Rule 201-204 (IDAPA 31.01.01.201-.204). Persons interested in submitting written comments must do so within 21-days of the service date of this Order. The Commission Staff must file any reply comments within 28-days of the service date of this Order.

IT IS FURTHER ORDERED that parties continue to comply with Order No. 34602, issued March 17, 2020. All pleadings should be filed with the Commission electronically and shall be deemed timely filed when received by the Commission Secretary. *See* Rule 14.02. Service between parties should also be accomplished electronically. Voluminous discovery-related documents may be filed and served on CD-ROM or a USB flash drive.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 21st day of May, 2020.



PAUL KJELLANDER, PRESIDENT



KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian
Commission Secretary

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