

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF AVISTA</b>	)	<b>CASE NO. AVU-E-20-07</b>
<b>CORPORATION’S ANNUAL POWER COST</b>	)	
<b>ADJUSTMENT (PCA) RATE APPLICATION</b>	)	<b>NOTICE OF APPLICATION</b>
	)	
	)	<b>NOTICE OF</b>
	)	<b>MODIFIED PROCEDURE</b>
	)	
	)	<b>ORDER NO. 34762</b>

---

On July 31, 2020, Avista Corporation (“Company”) filed its annual Power Cost Adjustment (“PCA”) Application. The PCA is an annual adjustment mechanism that tracks changes in the Company’s hydroelectric generation, secondary prices, thermal fuel costs, and other changes in power contract revenues and expenses.

This year, the Company asks the Commission to approve a PCA surcharge rate of 0.015¢ per kilowatt-hour (“kWh”). Under the Company’s proposal, the PCA surcharge rate for all customers, including residential customers, would increase rates from the current rebate of 0.058¢ per kWh to a proposed surcharge of 0.015¢ per kWh (a 0.073¢ per kWh increase in the customer rate). The Company requests an effective date of October 1, 2020 and that its Application be processed under Modified Procedure.

The Commission now issues this Notice of Application and Notice of Modified Procedure setting comment and reply deadlines.

**NOTICE OF APPLICATION**

YOU ARE HEREBY NOTIFIED that the Company reports higher overall power supply expenses than are included in retail rates. The Company noted increased power supply expenses from changes in hydro generation, Palouse Wind power purchase agreement net expense, Colstrip and Kettle Falls generation and fuel expense, net power purchase expense, and change in retail load. Direct Testimony of William G. Johnson at 6-9. The Company states these higher power supply, generation, fuel, and transmission expenses are partially offset by lower gas generation and natural gas prices, net transmission expenses, and miscellaneous expense. *Id.*

YOU ARE FURTHER NOTIFIED that the net impact of these expenses includes deferrals of \$1,038,548 for July 1, 2019 through June 30, 2020 plus interest of \$15,928. Direct

Testimony of Annette M. Brandon at 4. The deferral is offset by renewable energy credit retirement benefits of \$857,010. *Id.* The total deferral balance of \$197,466. *Id.*

YOU ARE FURTHER NOTIFIED that last year, the Company's PCA application resulted in a rebate to customers of 0.058¢ per kWh. Application at 3. The Company proposes a 0.015¢ PCA surcharge for all customers beginning October 1, 2020. *Id.* The proposed rate adjustment would surcharge customers about \$0.5 million. *Id.* The net effect of the expiring rebate and the proposed surcharge is an overall increase in revenue of about \$2.2 million. *Id.* The Company states the new rate would increase the Company's revenue by about 0.9%. *Id.* at 3, 5. The Company asserts the resulting percentage increases will vary by customer rate schedule because the PCA rate changes are spread on a uniform cents-per kWh basis. *Id.* at 5.

YOU ARE FURTHER NOTIFIED that residential customers using an average of 898 kWh per month would see their monthly bill increase by 0.9%, from \$86.27 to \$86.93. *Id.* at 5.

YOU ARE FURTHER NOTIFIED that the Company's Application including prefiled testimony, exhibits, and proposed tariff sheets are available for public inspection during regular business hours at the Commission's office. The Application is also available on the Commission's web site at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click on the "ELECTRIC" tab in the left-hand column 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. 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 under 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 it will review the case through written submissions under the Commission's Rules of Modified Procedure Rules 201 through 204 of the Idaho Public Utilities Commission's Rules of Procedure, IDAPA 31.01.01.201-204. 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 persons desiring to state a position on this Application may file a written comment explaining why they support or oppose the Application. Persons who would like a hearing must specifically request a hearing in their written comments. **Persons must file comments by September 15, 2020.** Comments must be filed by e-mail unless e-mail is unavailable. To comment by e-mail, please access the Commission's home page at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click the "Consumers" tab and then "Case Comment Form" and complete the form using the case number as it appears on the front of this document. Comments filed by e-mail must also be e-mailed to the Company at the e-mail addresses listed below. If e-mail is unavailable, then comments may be mailed to the Commission and Company at these addresses:

**For the Idaho Public Utilities  
Commission:**

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

**For Avista Corporation:**

David J. Meyer, Esq. (MSC-10)  
Patrick Ehrbar (MSC-27)  
P.O. Box 3727  
1411 E. Mission Ave  
Spokane, WA 99220-3727  
[david.meyer@avistacorp.com](mailto:david.meyer@avistacorp.com)  
[patrick.ehrbar@avistacorp.com](mailto:patrick.ehrbar@avistacorp.com)

YOU ARE FURTHER NOTIFIED that **the Company must file any reply comments by September 22, 2020.**

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 this case be processed by Modified Procedure. Interested persons must file written comments by September 15, 2020. The Company must file any reply comments by September 22, 2020.

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.

NOTICE OF APPLICATION  
NOTICE OF MODIFIED PROCEDURE  
ORDER NO. 34762

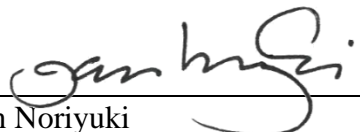
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 25<sup>th</sup>  
day of August 2020.

  
\_\_\_\_\_  
PAUL KJELLANDER, PRESIDENT

  
\_\_\_\_\_  
KRISTINE RAPER, COMMISSIONER

  
\_\_\_\_\_  
ERIC ANDERSON, COMMISSIONER

ATTEST:

  
\_\_\_\_\_  
Jan Noriyuki  
Commission Secretary

I:\Legal\ELECTRIC\AVU-E-20-07\orders\AVUE2007\_Ntc App Mod\_dh.docx