

DECISION MEMORANDUM

TO: COMMISSIONER KJELLANDER
COMMISSIONER RAPER
COMMISSIONER ANDERSON
COMMISSION SECRETARY
COMMISSION STAFF

FROM: DAYN HARDIE
DEPUTY ATTORNEY GENERAL

DATE: AUGUST 12, 2020

SUBJECT: AVISTA CORPORATION'S ANNUAL POWER COST ADJUSTMENT
(PCA) APPLICATION; CASE NO. AVU-E-20-07

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 changes in power contract revenue and expenses.

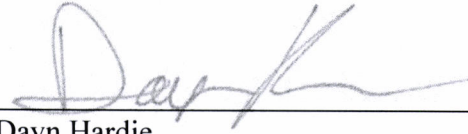
This year, the Company asks the Commission to approve a PCA surcharge rate of 0.015¢ per kilowatt-hour ("kWh") with an effective date October 1, 2020. Under the Company's proposal, the PCA surcharge rate for all customers, including residential customers, would increase rates from the current rebate of 0.058¢ per kWh to a proposed surcharge of 0.015¢ (a 0.073¢ per kWh increase in the customer rate). Since PCA rate adjustments are spread on a uniform cents per kilowatt-hour basis, the resulting percentage increase would vary by schedule. The overall increase is 0.9%. Residential customers using an average of 898 kWh per month would see their monthly bills increase from \$86.27 to \$86.93. The Company requests its Application be processed under Modified Procedure.

STAFF RECOMMENDATION

Staff has reviewed the Application and recommends the Application be processed under Modified Procedure, with comments due by September 15, 2020 and the Company's reply due by September 22, 2020.

COMMISSION DECISION

Does the Commission wish to issue a Notice of Application and Notice of Modified Procedure with a comment deadline of September 15, 2020 and a Company reply deadline of September 22, 2020?

A handwritten signature in blue ink, appearing to read "Dayn Hardie", is written over a horizontal line.

Dayn Hardie
Deputy Attorney General

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