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IDAHO PUBLIC  
UTILITIES COMMISSION

**Avista Corp.**  
1411 East Mission P.O. Box 3727  
Spokane, Washington 99220-3727  
Telephone 509-489-0500  
Toll Free 800-727-9170



July 30, 2021

State of Idaho  
Idaho Public Utilities Commission  
11331 W. Chinden Blvd  
Bldg 8 Suite 201-A  
Boise, ID 83714

Attention: Ms. Jan Noriyuki, Secretary

Re: **Case No. AVU-E-21-10**  
Residential Exchange Annual Rate Adjustment Filing of Avista Corporation

Dear Commission Secretary:

In accordance with Case No. GNR-U-20-01, Order No. 34602, which suspends the requirement to file physical copies, the Company has attached for electronic filing with the Commission the following revised tariff sheet:

**Twenty First Revision Sheet 59 canceling Twentieth Revision Sheet 59**

Enclosed for filing with the Commission is Avista Corporation's dba Avista Utilities ("Avista or the Company") Application requesting approval of changes to the Company's Residential and Small Farm Tariff Schedule 59.

Electronic versions of the Company's filing were emailed to the Commission, and the Service List, on July 30, 2021.

Please direct any questions regarding this filing to Tia Benjamin at (509) 495-2225.

Sincerely,

*/s/ Patrick Ehrbar*

Patrick Ehrbar  
Director of Regulatory Affairs

Enclosures

1 DAVID J. MEYER  
2 VICE PRESIDENT AND CHIEF COUNSEL FOR  
3 REGULATORY AND GOVERNMENTAL AFFAIRS  
4 AVISTA CORPORATION  
5 1411 E. MISSION AVENUE  
6 P. O. BOX 3727  
7 SPOKANE, WASHINGTON 99220  
8 PHONE: (509) 495-4316, FAX: (509) 495-8851

9

10 BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

11

12	IN THE MATTER OF THE RESIDENTIAL )	
13	AND SMALL FARM ANNUAL RATE )	CASE NO. AVU-E-21-01
14	ADJUSTMENT FILING OF )	APPLICATION OF AVISTA
15	AVISTA CORPORATION )	CORPORATION

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**I. INTRODUCTION**

20 In accordance with Idaho Code §61-502 and RP 052, Avista Corporation, doing  
21 business as Avista Utilities (hereinafter “Avista” or “Company”), at 1411 East Mission  
22 Avenue, Spokane, Washington, respectfully makes application to the Idaho Public Utilities  
23 Commission (“Commission”) for an order authorizing Avista to implement Residential and  
24 Small Farm Energy rates for electric service from October 1, 2021 through September 30,  
25 2022. The proposed Residential and Small Farm Energy Rate Adjustment credit rate for  
26 rate schedules 1, 12, 22, 32, and 48 is 0.319¢ per kilowatt-hour. The credit rate represents  
27 a \$0.1 million increase to qualifying customers. The Company has requested an October  
28 1, 2021 effective date.



1 **III. DRIVERS OF THE RESIDENTIAL AND SMALL FARM ENERGY RATE**

2 **ADJUSTMENT CREDIT**

3 Under the current Residential Exchange rate adjustment, approximately \$4.2  
4 million annually is being passed through to applicable Idaho customers through a uniform  
5 0.336¢ per kilowatt-hour rate credit. This rate was approved by the Idaho Public Utilities  
6 Commission effective October 1, 2020 in Order No. 34795.

7 The proposed rate credit of 0.319¢ per kilowatt-hour is designed to pass through  
8 approximately \$4.1 million which represents the Idaho portion of the annual level of BPA  
9 benefits, offset by the over-refunded balance from the prior year, starting in October 2021.  
10 The level of BPA benefits is approximately \$0.2 million less than what is currently being  
11 passed back to customers in rates today. That amount, however, is offset by an over-  
12 refunded balance from the prior year of approximately \$0.06 million, which is due to actual  
13 usage being higher than what was projected in the Company's 2020 filing. The table below  
14 details the year over year differences between the benefit included in current rates and the  
15 proposed benefit included in this filing.

16 **Table No. 1 – Level of Rate Credit**

	2021	2020	
	Proposed	Present	Change
17 Idaho portion of benefit amount	\$ (4,553,350)	\$ (4,740,287)	\$ 186,937
18 Estimated over/(under) refunded balance	\$ 513,917	\$ 574,500	\$ (60,583)
Revenue Conversion factor	\$ (17,665)	\$ (22,832)	\$ 5,167
19 Revenue Requirement	\$ (4,057,098)	\$ (4,188,620)	\$ 131,522

20 The Company is therefore proposing an overall increase of \$0.1 million or 0.1%  
21 for qualifying customers. The change in rate credit has no effect on Avista's net income.

1                   **IV. PROPOSED RATES TO BE EFFECTIVE OCTOBER 1, 2021**

2                   The Company is proposing a per kilowatt-hour Residential and Small Farm Energy  
3 Rate Adjustment credit rate of 0.319¢ for rate schedules 1, 12, 22, 32, and 48 to become  
4 effective October 1, 2021. Attachment A to this Application provides the Residential and  
5 Small Farm Energy Rate Calculation. Attached as Exhibit “A” is a copy of the proposed  
6 tariff, Schedule 59, which contains the proposed Residential and Small Farm Energy rates  
7 discussed earlier in this Application. Exhibit “A” also includes the proposed changes to  
8 Schedule 59 in strike-out/underline format. Residential customers using an average of 892  
9 kilowatt-hours per month would see their monthly bills increase from \$85.63 to \$85.78, an  
10 increase of \$0.15 per month, or 0.2%.

11  
12                   **V. COMMUNICATIONS AND SERVICE OF APPLICATION**

13                   In conformance with RP 125, this Application will be brought to the attention of  
14 the Company’s customers. Included in this filing is the form of Press Release which will  
15 be issued on July 30, 2021, as well as the form of Customer Notice which will be included  
16 in customer’s bills beginning in early August 2021 and run for a full billing cycle.

17  
18                   **VI. REQUEST FOR RELIEF**

19                   The Company requests that the Commission issue an order approving a per  
20 kilowatt-hour Residential and Small Farm Energy credit rate of 0.319¢ for rate schedules  
21 1, 12, 22, 32, and 48 to become effective October 1, 2021. The Residential and Small Farm  
22 Energy credit represents a \$0.1 million, or 0.1%, increase to qualifying customers. The

1 Company requests that the matter be processed under the Commission's Modified  
2 Procedure rules through the use of written comments.

3 Dated at Spokane, Washington this 30<sup>th</sup> day of July 2021.

4 AVISTA CORPORATION

5  
6 BY /s/ David J. Meyer  
7 David J. Meyer  
8 Vice President and Chief Counsel for  
9 Regulatory and Governmental Affairs  
10 Avista Corporation

**Important Notice for Idaho Electric and Natural Gas Customers  
(August 2021)**

**DRAFT**

Avista has made annual rate adjustment filings with the Idaho Public Utilities Commission (IPUC or Commission) that if approved, are designed to increase overall electric revenues by approximately \$1.0 million or 0.4% effective Oct. 1, 2021 and increase overall natural gas revenue by approximately \$0.3 million or 0.4% effective Nov. 1, 2021. These annual filings have no impact on Avista's earnings.

**Electric Adjustment Filings**

Four annual electric adjustments were filed, that if approved, are designed to change overall electric revenues effective Oct. 1, 2021 as follows:

1. Power Cost Adjustment (PCA): an increase of approximately \$7.2 million or 2.8%
2. Fixed Cost Adjustment (FCA): a decrease of approximately \$0.7 million or 0.3%
3. Electric Energy Efficiency: a decrease of approximately \$5.6 million or 2.2%
4. Bonneville Power Administration (BPA) Residential Exchange Program: an increase of approximately \$0.1 million or 0.1%

When combined, the four requests are designed to increase overall electric revenue by approximately \$1.0 million or 0.4% effective Oct. 1, 2021.

**Natural Gas Adjustment Filing**

The natural gas adjustment request is the annual natural gas FCA. If approved, Avista's request is designed to increase overall natural gas revenues by approximately \$0.3 million or 0.4% effective Nov. 1, 2021.

**Customer Bills Resulting from these Filings**

If the electric PCA, FCA, energy efficiency and BPA filings are approved, residential electric customers in Idaho using an average of 892 kilowatt hours per month would see their monthly bills decrease from \$85.63 to \$84.09, a decrease of \$1.54 per month, or approximately 1.8%. The proposed electric rate change would be effective Oct. 1, 2021.

The requested electric rate change by rate schedule are as follows:

Residential Service - Schedule 1	-1.8%
General Service - Schedules 11 & 12	1.8%
Large General Service - Schedules 21 & 22	3.0%
Extra Large General Service - Schedule 25	2.3%
Extra Large General Service - Schedule 25P	2.5%
Pumping Service - Schedules 31 & 32	2.2%
Street & Area Lights - Schedules 41-49	<u>-1.0%</u>
Overall	0.4%

If the natural gas FCA filing is approved, residential natural gas customers in Idaho using an average of 63 therms per month would see their monthly bills increase from \$49.49 to \$49.67, an increase of \$0.18 per month, or approximately 0.4%. The proposed natural gas rate change would be effective Nov. 1, 2021.

The net effect, on a revenue basis, for the requested natural gas rate change by rate schedule are:

General Service - Schedule 101	0.4%
Large General Service - Schedules 111 & 112	0.4%
Interruptible Service - Schedules 131 & 132	0.0%
Transportation Service - Schedule 146	<u>0.0%</u>
Overall	0.4%

**Power Cost Adjustment (PCA)**

The PCA is an annual rate adjustment made to reflect the difference between the actual cost of generating and purchasing electric power to serve customers and the cost currently included in customer rates. Over the last year, power supply costs have been primarily higher than those included in retail rates due to higher wholesale electric and natural gas prices.

### **Fixed Cost Adjustment (FCA)**

The electric and natural gas FCA is a mechanism designed to break the link between a utility's revenues and customers' energy usage. Avista's actual revenue, based on kilowatt hour or therm sales, will vary, up or down, from the level included in a general rate case and approved by the Commission. This could be caused by changes in weather, energy conservation or other factors. Generally, under the FCA, Avista's revenues are adjusted each month based on the number of customers. The annual difference between revenues based on sales and the number of customers is surcharged or rebated to customers beginning in the following year.

The proposed FCA rate adjustments in 2021 are primarily driven by variations in 2020 customer usage related to weather and the COVID-19 pandemic where a higher level of residential customer usage was partially offset by a lower level of non-residential customers usage. The FCA mechanisms do not apply to Avista's Electric Extra Large General and Street Lighting Service Schedules, nor to its Natural Gas Interruptible and Transportation Service Schedules.

### **Energy Efficiency Adjustment**

The energy efficiency adjustment is related to the funding of Avista's electric energy efficiency programs. This annual adjustment aligns the amount that is collected in customer rates with the actual costs to run and deliver the programs. Avista's programs are based on providing a financial incentive or rebate for cost-effective energy efficiency measures. Over the last year, the amount collected in customer rates exceeded the actual costs to run and deliver the programs.

### **Residential Exchange Adjustment**

The Residential Exchange Program provides a share of the benefits of the federal Columbia River power system to the residential and small farm customers of the investor-owned utilities in the Pacific Northwest, including Avista. Avista applies the benefits it receives, which typically fluctuate from year to year, to customers as a credit in their monthly electric rates. The benefit Avista will receive from BPA starting in October 2021 will result in a slightly lower level of benefits than is currently being passed through to qualifying customers.

### **Rate Application Procedure**

The Company's applications are proposals, subject to public review and a Commission decision. Copies of the applications are available for public review at the offices of both the Commission and Avista, and on the Commission's website ([www.puc.idaho.gov](http://www.puc.idaho.gov)). Customers may file with the Commission written comments related to the Company's filings. Customers may also subscribe to the Commission's RSS feed (<http://www.puc.idaho.gov/rssfeeds/rss.htm>) to receive periodic updates via e-mail about the case. Copies of rate filings are also available on our website, [www.myavista.com/rates](http://www.myavista.com/rates).

If you would like to submit comments on the proposed rate change, you can do so by going to the Commission website or mailing comments to:

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

Avista offers a number of programs and services to help customers manage their energy use and costs. Visit [www.myavista.com](http://www.myavista.com) for information on these programs which include Comfort Level Billing, bill payment options, automated payment service, assistance programs, conservation tips, and energy efficiency rebates.



AVISTA CORPORATION  
dba Avista Utilities

## SCHEDULE 59

### RESIDENTIAL AND FARM ENERGY RATE ADJUSTMENT - IDAHO

#### APPLICABLE:

To Residential Customers in the State of Idaho where Company has electric service available. This rate adjustment results from an Agreement between the Company and Bonneville Power Administration (BPA) covering Residential Exchange Program benefits. The rate adjustment in this schedule shall be applicable to customers served under Schedules 1, 12, 22, 32 and 48.

#### MONTHLY RATE:

The energy charges for all blocks of electric Schedules 1, 12, 22 and 32 and the charges for area lights based on the energy usages of the lights on Schedule 48 are to be reduced by 0.319¢ per kWh.

#### SPECIAL TERMS AND CONDITIONS:

The rate adjustment under this schedule is subject to revision to reflect the true up from estimated to actual benefits and to reflect projected future benefits. In the event the credits applied under this schedule exceed the benefits, the Company will adjust the rate on this schedule to recover that difference.

The energy credit applied to Schedule 32 for farm irrigation and pumping load, for each billing period, shall not exceed the amount of energy determined by the following formula:

$$400 \times 0.746 \times \text{days in the billing period} \times 24$$

In no instance shall any qualifying irrigation and pumping load for any month exceed 222,000 kWh.

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

The above rate is subject to the provisions of Tax Adjustment Schedule 58.

Issued: July 30, 2021

Effective: October 1, 2021

Issued by Avista Utilities  
By



Patrick Ehrbar – Director of Regulatory Affairs

AVISTA CORPORATION  
dba Avista Utilities

## SCHEDULE 59

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The energy charges for all blocks of electric Schedules 1, 12, 22 and 32 and the charges for area lights based on the energy usages of the lights on Schedule 48 are to be reduced by ~~0.336¢~~ per kWh.

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In no instance shall any qualifying irrigation and pumping load for any month exceed 222,000 kWh.

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

The above rate is subject to the provisions of Tax Adjustment Schedule 58.

Issued: July 31, 2020

Effective: October 1, 2020

Issued by Avista Utilities  
By



Patrick Ehrbar – Director of Regulatory Affairs

AVISTA CORPORATION  
dba Avista Utilities

## SCHEDULE 59

### RESIDENTIAL AND FARM ENERGY RATE ADJUSTMENT - IDAHO

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