

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF COMMISSION) **CASE NO. AVU-E-21-16**
STAFF’S APPLICATION TO UPDATE)
AVISTA CORPORATION’S COST OF) **NOTICE OF APPLICATION**
CAPITAL INPUTS IN THE SURROGATE)
AVOIDED RESOURCE METHOD) **NOTICE OF**
) **MODIFIED PROCEDURE**
)
) **ORDER NO. 35215**

On October 22, 2021, Commission Staff applied to update the cost of capital inputs used in the Surrogate Avoided Resource model (“SAR model”) for Avista Corporation (“Avista”). Under the Public Utility Regulatory Policies Act of 1978 (“PURPA”), the Commission calculates published avoided cost rates for PURPA qualifying facilities (“QFs”) using the SAR Method for all three major public electric utilities in Idaho: Avista, Idaho Power, and PacifiCorp dba Rocky Mountain Power.

The Commission now issues this Notice of Application and sets deadlines for interested persons to comment on the Application, and for Commission Staff to reply.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED the Commission calculates and publishes SAR Method rates for QFs that are under the applicable resource type project eligibility cap. The SAR Model uses each utility’s approved cost of capital from their last general rate case. On September 1, 2021, the Commission issued Order No. 35156 in Avista’s most recent general rate case (Case No. AVU-E-21-01). That order triggered a necessary update of Avista’s cost of capital inputs in the SAR Model.

YOU ARE FURTHER NOTIFIED that Avista’s cost of debt changed from 5.2% to 4.70%, and its cost of common equity changed from 9.5% to 9.40%. As a result, the weighted cost of capital—which depends on the cost of debt and the cost of common equity—changed from 7.35% to 7.05%.

YOU ARE FURTHER NOTIFIED that Staff first updated several inputs to Avista’s SAR Model.

YOU ARE FURTHER NOTIFIED that attached to the Application are: (1) an updated SAR Model incorporating the proposed updates; (2) Avista's Avoided Cost Rates for New Contracts; and (3) Avista's Avoided Cost Rates for Renewal Contracts.

YOU ARE FURTHER NOTIFIED that the Application is available for public inspection during regular business hours at the Commission's office. These documents are also available on the Commission's website at www.puc.idaho.gov. Click on the "ELECTRIC" icon, select "Open Cases," 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.

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 will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Idaho Public Utilities 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 people desiring to state a position on this Application may file a written comment explaining why the person supports or opposes the Application. Persons who would like a hearing must specifically request a hearing in their written comments. **Persons interested in filing written comments must do so within twenty-one (21) days of the service date of this Order.** Comments must be filed through the Commission's website or by e-mail unless computer access is unavailable. To comment electronically, please access the Commission's website at www.puc.idaho.gov. Click the "Case Comment Form" and complete the form using the case number as it appears on the front of this document. To file by e-mail, the customer must e-mail the comment to the Commission Secretary and the Commission Staff at the e-mail addresses listed below. If computer access is unavailable, then comments may be mailed to the Commission Secretary and the Commission Staff at the following addresses:

**For the Idaho Public Utilities
Commission:**

Commission Secretary
Idaho Public Utilities Commission
P.O. Box 83720
Boise, Idaho 83720-0074
secretary@puc.idaho.gov

Street Address for Express Mail:

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

For Commission Staff:

Riley Newton
Deputy Attorney General
Idaho Public Utilities Commission
P.O. Box 83720
Boise, Idaho 83702-0074
riley.newton@puc.idaho.gov

YOU ARE FURTHER NOTIFIED that Commission Staff must file any reply comments **within twenty-eight (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 this Application be processed by Modified Procedure, Rules 201-204 (IDAPA 31.01.01.201-.204). Persons interested in submitting written comments must do so within twenty-one (21) days of the service date of this Order. Commission Staff must file any reply comments within twenty-eight (28) days of the service date of this Order.

IT IS FURTHER ORDERED that parties should continue to comply with Order No. 35058, issued June 3, 2021. 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.

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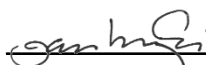
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 2nd day of November 2021.


PAUL KJELLANDER, PRESIDENT


KRISTINE RAPER, COMMISSIONER


ERIC ANDERSON, COMMISSIONER

ATTEST:


Jan Noriyuki
Commission Secretary

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