

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF AVISTA** ) **CASE NO. AVU-E-22-10**  
**CORPORATION’S ANNUAL FILING TO** )  
**ADJUST RESIDENTIAL AND SMALL FARM** ) **ORDER NO. 35542**  
**ENERGY RATES** )  
\_\_\_\_\_ )

On July 29, 2022, Avista Corporation dba Avista Utilities (“Company” or “Avista”), filed its annual Residential and Small Farm Adjustment Filing (“Application”). The Company requested that the Commission issue an order approving a per kilowatt-hour (“kWh”) Residential and Small Farm Energy credit rate of 0.380 cents for rate schedules 1, 12, 22, 32, and 48.

On August 10, 2022, the Commission issued a Notice of Application and Notice of Modified Procedure, and set public comment and Company reply comment deadlines. Order No. 35495.

Staff submitted comments on September 7, 2022. No other comments were received.

Having reviewed the record, the Commission now issues this Order approving the Company’s Application.

**BACKGROUND**

The Residential and Small Farm Energy Rate Adjustment credit results from the Company’s agreement with the Bonneville Power Administration (“BPA”) regarding the Residential Exchange Program (“REP”). Application at 2. The REP was established by Section 5(c) of the Northwest Electric Power Planning and Conservation Act. 16 U.S.C. § 839c(c). That section makes low-cost power from the federal Columbia River power system available to investor-owned utilities in the Northwest. *See Assoc. of Pub. Agency Customers v. Bonneville Power Admin.* (“APAC v. BPA”), 733 F.3d 939, 945 (9th Cir. 2013). The statute permits utilities to “exchange power they have purchased or generated for lower-cost power generated by BPA.” *Portland General Elec. Co. v. Bonneville Power Admin.*, 501 F.3d 1009, 1015 (9th Cir. 2007). The exchange is a paper transaction—a utility may offer to sell power to BPA at the utility’s average system cost (“ASC”) for producing power, which BPA compares to a Priority Firm (“PF”) Exchange Rate that BPA calculates for purposes of the exchange. *See id.*, APAC v. BPA, 733 F.3d at 945-46. If BPA’s PF Exchange Rate is lower than the utility’s ASC, then the utility is entitled to a benefit from BPA. APAC v. BPA, 733 F.3d at 946. Generally, the utility benefit is the

difference between BPA's PF Exchange Rate and the utility's ASC, multiplied by the utility's residential load. *Id.* at 945. The utility must pass the benefit on to its qualifying residential and small farm customers. *Id.* (citing 16 U.S.C. § 839c(c)(3)).

In short, the REP allows residential and small-farm customers of six Pacific Northwest utilities, including Avista, to benefit from the federal Columbia River power system through a credit to their rates. The rate credit reflects Idaho's share of BPA benefits through the REP, as offset by any over-refunded balance from the prior year.

### **THE APPLICATION**

The current Residential and Small Farm Energy Adjustment Rate credit is 0.370 cents per kWh and was designed to pass approximately \$4.7 million in BPA benefits to customers through a credit to their energy rates. Application at 2-3. The proposed credit of 0.380 cents per kWh is designed to pass approximately \$4.9 million to customers, representing the Idaho portion of the annual BPA benefits, offset by the over-refunded balance from the prior year. *Id.* at 3.

The over-refunded balance from the prior year was due to actual usage being higher than projected in the Company's 2021 filing. Using the current rate multiplied by the projected kWh for October 2022 through September 2023 and compared to the proposed rate for that same period, the Company's proposal constituted an overall decrease of \$129,665 or 0.1% for qualifying customers.

The Company claimed that a residential customer using an average of 892 kWh of electricity per month will see a decrease in her monthly bill from \$86.29 to \$86.20, or \$0.09. *Id.* at 4. The Company attached "Exhibit A" to its Application which contained a copy of the revised tariff sheet reflecting the changes.

### **STAFF COMMENTS**

Staff reviewed the methodology and calculation of the proposed Residential and Small Farm credit rate and confirmed that the approach was consistent with the terms and conditions of Schedule 59 - Residential and Farm Energy Rate Adjustment - Idaho. Staff Comments at 3. Staff also audited the inputs and independently recalculated the rate. *Id.* Based on that review, Staff recommended the Company's Application be approved.

Staff noted that some customers may not have had time to file comments before the comment deadline due to no fault of their own. Thus, Staff recommended the Commission consider any comments filed after the comment deadline.

## COMMISSION FINDINGS AND DECISION

The Company is an electrical corporation under *Idaho Code* § 61-119 and a public utility under *Idaho Code* § 61-129. The Commission has jurisdiction over this matter under *Idaho Code* §§ 61-502 and 61-503. The Commission is empowered to investigate rates, charges, rules, regulations, practices, and contracts of public utilities and to determine whether they are just, reasonable, preferential, discriminatory, or in violation of any provision of law, and may fix the same by order. *Idaho Code* §§ 61-502 and 61-503.

Having reviewed the record, including the Application and Staff's comments, the Commission finds the proposed rate credit of 0.380 cents per kWh is just and reasonable. We therefore approve the Application and the proposed Schedule 59—Residential and Small Farm Energy Rate Adjustment – Idaho – credit for schedules 1, 12, 22, 32, and 48, to be effective October 1, 2022.

The Commission recognizes that some customers may not have received notice of the Application in time for them to comment on it by the comment deadline. As such, the Commission was willing to consider any late-filed comments between then and the date of this Order. No customer comments were filed in this case, and the Commission finds it is appropriate to conclude the matter.

### ORDER


IT IS HEREBY ORDERED that the Company's Application to implement a new Residential and Small Farm Energy Adjustment credit rate is approved. The Company is authorized to implement its proposed credit rate of 0.380 cents per kWh through its proposed tariff Schedule 59—Residential and Farm Energy Rate Adjustment – Idaho – effective October 1, 2022, through September 30, 2023.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order regarding any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *Idaho Code* § 61-626.

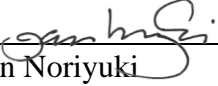
DONE by Order of the Public Utilities Commission at Boise, Idaho this 29<sup>th</sup> day of September 2022.

  
ERIC ANDERSON, PRESIDENT

  
JOHN CHATBURN, COMMISSIONER

  
JOHN R. HAMMOND JR., COMMISSIONER

ATTEST:

  
Jan Noriyuki  
Commission Secretary

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