



Avista Corp.

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Spokane, Washington 99220-0500
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July 29, 2022

Commission Secretary
State of Idaho
Idaho Public Utilities Commission
11331 W. Chinden Blvd. Building 8, Suite 201-A
Boise, Idaho 83702-5983

RE: Case No. AVU-E-22-11
Power Cost Adjustment (PCA) Annual Rate Adjustment Filing of Avista Corporation

Dear Commission Secretary:

Attached for electronic filing with the Commission is the annual Power Cost Adjustment Rate Filing.¹

The Company is requesting that the Commission issue an order approving recovery of power costs deferred for the period July 1, 2021 through June 30, 2022, and approving a PCA surcharge of 0.150¢ per kilowatt-hour to be effective October 1, 2022. Under the Company's proposal, the PCA surcharge rate for all customers, including residential customers, would decrease from an existing surcharge rate of 0.251¢ per kilowatt-hour to a proposed surcharge rate of 0.150¢ per kilowatt-hour, or a decrease in the rate of 0.101¢ per kilowatt-hour. Since PCA rate adjustments are spread on a uniform cents per kilowatt-hour basis, the resulting percentage change varies by rate schedule. The overall decrease is approximately \$3.1 million or 1.2%. Residential customers using an average of 892 kilowatt-hours per month would see their monthly bills decrease from \$86.29 to \$85.39, a decrease of \$0.90 per month, or 1.0%.

Certain supporting documents are CONFIDENTIAL, rendering these documents exempt from public inspection, examination and copying pursuant to Sections 74-101 through 74-126 of the

¹ Case No. GNR-U-20-01, Order No. 35375

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Idaho Code. Avista believes that the identified CONFIDENTIAL supporting documents contain valuable commercial information.

As such, Avista is submitting a separate electronic filing containing the electronic form of the CONFIDENTIAL supporting documents, in compliance with Rule 067.02.b.

Please direct any questions regarding this filing to Annette Brandon at (509) 495-4324 or Kaylene Schultz at (509) 495-2482.

Sincerely,

/s/ Patrick Ehrbar

Patrick D. Ehrbar
Director of Regulatory Affairs

Enclosures



CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have served Avista Corporation's annual Power Cost Adjustment (PCA) Annual Rate Adjustment Filing by electronic mail a copy thereof to the following:

Commission Secretary
Idaho Public Utilities Commission
11331 W. Chinden Blvd.
Building 8, Suite 201-A
Boise, ID 83714

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Dr. Don Reading
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Boise, Idaho 83703
dreading@mindspring.com

Larry A Crowley
The Energy Strategies Institute Inc
5549 S. Cliffsedge Ave
Boise, ID 83716
Email: crowlyla@aol.com
(Excluding Confidential Information)

Dated at Spokane, Washington this 29th day of July 2022.

/s/ Paul Kimball
Paul Kimball
Manager Regulatory Compliance & Discovery

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

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11 BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

12

13 IN THE MATTER OF THE POWER COST)
14 ADJUSTMENT (PCA) ANNUAL RATE) CASE NO. AVU-E-22-11
15 ADJUSTMENT FILING OF AVISTA) APPLICATION OF AVISTA
16 CORPORATION) CORPORATION

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I. INTRODUCTION

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In accordance with Idaho Code §61-502 and RP 052, Avista Corporation, doing business as Avista Utilities (hereinafter “Avista” or “Company”), at 1411 East Mission Avenue, Spokane, Washington, respectfully files its Power Cost Adjustment (PCA) annual rate adjustment filing in the above referenced case. The Company requests the Commission issue an order approving the level of power costs deferred in the surcharge direction for the period July 1, 2021 through June 30, 2022, and approving a PCA surcharge rate of 0.150¢ per kilowatt-hour to be effective October 1, 2022. The Company requests that this filing be processed under the Commission’s Modified Procedure Rules through the use of written comments.

Communications in reference to this Application should be addressed to:

1 David J. Meyer, Esq.
2 Vice President and Chief Counsel for
3 Regulatory & Governmental Affairs
4 Avista Corporation
5 P.O. Box 3727
6 MSC-10
7 1411 E. Mission Ave
8 Spokane, WA 99220-3727
9 Phone: (509) 495-4316
10 David.Meyer@avistacorp.com
11

12 Patrick D. Ehrbar
13 Director of Regulatory Affairs
14 Avista Utilities
15 P.O. Box 3727
16 MSC-27
17 1411 E. Mission Ave
18 Spokane, WA 99220-3727
19 Phone: (509) 495-8620
20 Patrick.Ehrbar@avistacorp.com
21

22 Electronically
23 Dockets@Avistacorp.com
24

25 II. BACKGROUND

26 Avista's PCA is used to track changes in revenues and costs associated with
27 variations in hydroelectric generation, secondary prices, thermal fuel costs, and changes in
28 power contract revenues and expenses. Avista's existing PCA methodology and method
29 of recovery were approved in Case No. AVU-E-07-01 by Order No. 30361 dated June 29,
30 2007. In that case, the Commission approved a change in the PCA methodology from a
31 trigger and cap mechanism to a single annual PCA rate adjustment filing requirement.

32 The Commission also approved a change in the method of the PCA deferral rate
33 adjustment from a uniform percentage basis, to a uniform cents per kilowatt-hour basis
34 effective with the October 1, 2007 PCA rate change. By Order No. 32206 in Case No.

1 GNR-E-10-03 dated March 15, 2011, the Commission modified the retail revenue credit
2 methodology and approved a Load Change Adjustment Rate based on the energy classified
3 portion of embedded production revenue requirement effective April 1, 2011.

4 The Commission approved the following procedural schedule for administering the
5 annual PCA filings:

6 August 1	Company filing for prior July – June deferral period
7 September 1	Review and comments by Staff and other interested parties
8 October 1	Commission Order and effective date of PCA rate
9	adjustment

10 The present PCA surcharge was made effective on October 1, 2021. On July 30,
11 2021, in Case No. AVU-E-21-09, Avista filed its annual PCA rate adjustment for the
12 deferral period July 1, 2020 through June 30, 2021 and requested a PCA surcharge rate of
13 0.251¢ per kilowatt-hour, based on an overall surcharge of approximately \$7.7 million,
14 effective October 1, 2021. That surcharge will end on September 30, 2022. The
15 Commission approved that application in Order No. 35184, dated September 30, 2021.

16 The proposed PCA rate adjustment of 0.150¢ per kilowatt-hour would surcharge to
17 customers approximately \$4.6 million effective October 1, 2022. The surcharge is primarily
18 associated with power supply costs that were higher than those included in retail rates, due
19 to higher wholesale electric and natural gas prices. The net effect of the expiring surcharge,
20 and the proposed surcharge, is an overall decrease in revenue of approximately 1.2 percent,
21 or \$3.1 million.

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III. DEFERRALS – JULY 1, 2021 THROUGH JUNE 30, 2022

The amount of power cost deferrals for the period July 1, 2021 through June 30, 2022 is shown below, as well as interest for the same period. Company witness Ms. Brandon’s testimony provides an explanation of the factors causing the deferral entries for the period. Company witness Ms. Schultz’s testimony addresses the deferral, Renewable Energy Credit Benefit, and interest amount.

Deferrals (July 2021 - June 2022)	\$	4,907,111
Renewable Energy Credit Retirement Benefit	\$	(712,187)
Interest	\$	42,385
Total Deferral Balance	\$	4,237,309

Monthly reports have been filed with the Commission regarding actual PCA deferral entries to date. An additional copy of those reports for the months of July 2021 through June 2022 has been included with this filing and has also been provided to Clearwater Paper Corporation and Idaho Forest Group.

IV. PROPOSED RATE TO BE EFFECTIVE OCTOBER 1, 2022

The Company is proposing a uniform cents per kilowatt-hour PCA surcharge rate of 0.150¢ to be effective October 1, 2022. See page 1 of Ms. Schultz’s Exhibit No. KJS-1 for the calculation of the proposed rate. Attached to this Application as Exhibit “A” is a copy of the proposed tariff, Schedule 66, which contains the proposed PCA rate. Exhibit “A” also includes the proposed changes to Schedule 66 in strike out/underline format. The proposed rate is designed to surcharge the following:

1	Deferrals (July 2021 - June 2022)	\$	4,907,111
	RPS Compliance	\$	(712,187)
2	Renewable Energy Credit Retirement Benefit	\$	42,385
3	Total Deferral Balance	\$	4,237,309
4	Unamortized Balance from Previous Deferrals (prior to July 1, 2021)	\$	7,702,872
5	Amortization July 2021 - June 2022	\$	(5,639,772)
	Interest	\$	58,923
6	Total Remaining Amortization Balance	\$	2,122,023
7	Projected Amortization and Total Interest (July 2022-September 2022)	\$	(1,772,758)
8	TOTAL BALANCE FOR AMORTIZATION	\$	4,586,574

9 After applying the conversion factor related to commission fees and uncollectible
10 customer accounts, the resulting balance of \$4,606,631 is divided by forecasted kilowatt-
11 hours to derive the proposed surcharge rate of 0.150¢ per kilowatt-hour.¹

12 Since PCA rate changes are spread on a uniform cents per kilowatt-hour basis, the
13 resulting percentage decreases vary by rate schedule. Page 1 of Ms. Schultz's Exhibit No.
14 KJS-1 shows the effect of the proposed PCA surcharge by rate schedule. The overall
15 decrease in revenue, after accounting for the expiration of the existing surcharge, and the
16 new surcharge, is \$3.1 million or 1.2%.

17 Residential customers using an average of 892 kilowatt-hours per month would see
18 their monthly bills decrease from \$86.29 to \$85.39, a decrease of \$0.90 per month, or 1.0%.

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V. REQUEST FOR RELIEF

21 The Company requests that the Commission issue an order approving power costs
22 deferred for the period July 1, 2021 through June 30, 2022, and approving a PCA surcharge

¹ Total Balance for Amortization \$4,586,574 divided by conversion factor 0.995646 = \$4,606,631.

1 rate of 0.150¢ per kilowatt-hour to be effective October 1, 2022. Under the Company's
2 proposal, the PCA rate for all customers, including residential customers, would decrease
3 from a surcharge rate of 0.251¢ per kilowatt-hour to a surcharge rate of 0.150¢ per kilowatt-
4 hour. Since PCA rate adjustments are spread on a uniform cents per kilowatt-hour basis,
5 the resulting percentage decrease varies by rate schedule. The overall decrease is
6 approximately \$3.1 million or 1.2%. The Company requests that the matter be processed
7 under the Commission's Modified Procedure rules through the use of written comments.

8 Dated at Spokane, Washington this 29th day of July 2022.

9 AVISTA CORPORATION

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By: /s/ David J. Meyer
David J. Meyer
Vice President and Chief Counsel for
Regulatory & Governmental Affairs

Case No. AVU-E-22-11

2022 Idaho PCA Filing

Exhibit "A"

AVISTA CORPORATION
d/b/a Avista Utilities

SCHEDULE 66

TEMPORARY POWER COST ADJUSTMENT - IDAHO

APPLICABLE:

To Customers in the State of Idaho where the Company has electric service available. This Power Cost Adjustment shall be applicable to all retail customers for charges for electric energy sold. This Rate Adjustment is designed to recover or rebate a portion of the difference between actual and allowed net power supply costs.

MONTHLY RATE:

The energy charges of electric Schedules 1, 11, 12, 21, 22, 25, 25P, 31, 32, and 41-49 are to be increased by 0.150¢ per kilowatt-hour in all blocks of these rate schedules.

SPECIAL TERMS AND CONDITIONS:

The rates set forth under this Schedule are subject to periodic review and adjustment by the IPUC based on the actual balance of deferred power costs.

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

The above Rate is subject to increases as set forth in Tax Adjustment Schedule 58.

Issued July 29, 2022

Effective October 1, 2022

Issued by Avista Utilities
By

Patrick Ehrbar – Director of Regulatory Affairs



AVISTA CORPORATION
d/b/a Avista Utilities

SCHEDULE 66

TEMPORARY POWER COST ADJUSTMENT - IDAHO

APPLICABLE:

To Customers in the State of Idaho where the Company has electric service available. This Power Cost Adjustment shall be applicable to all retail customers for charges for electric energy sold. This Rate Adjustment is designed to recover or rebate a portion of the difference between actual and allowed net power supply costs.

MONTHLY RATE:

The energy charges of electric Schedules 1, 11, 12, 21, 22, 25, 25P, 31, 32, and 41-49 are to be increased by ~~0.254¢~~ per kilowatt-hour in all blocks of these rate schedules.

SPECIAL TERMS AND CONDITIONS:

The rates set forth under this Schedule are subject to periodic review and adjustment by the IPUC based on the actual balance of deferred power costs.

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

The above Rate is subject to increases as set forth in 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
d/b/a Avista Utilities

SCHEDULE 66

TEMPORARY POWER COST ADJUSTMENT - IDAHO

APPLICABLE:

To Customers in the State of Idaho where the Company has electric service available. This Power Cost Adjustment shall be applicable to all retail customers for charges for electric energy sold. This Rate Adjustment is designed to recover or rebate a portion of the difference between actual and allowed net power supply costs.

MONTHLY RATE:

The energy charges of electric Schedules 1, 11, 12, 21, 22, 25, 25P, 31, 32, and 41-49 are to be increased by 0.150¢ per kilowatt-hour in all blocks of these rate schedules.

SPECIAL TERMS AND CONDITIONS:

The rates set forth under this Schedule are subject to periodic review and adjustment by the IPUC based on the actual balance of deferred power costs.

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

The above Rate is subject to increases as set forth in Tax Adjustment Schedule 58.

Issued July 29, 2022

Effective October 1, 2022

Issued by Avista Utilities
By

Patrick Ehrbar – Director of Regulatory Affairs

