

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION) CASE NOS. AVU-E-23-01
OF AVISTA CORPORATION FOR THE) AVU-G-23-01
AUTHORITY TO INCREASE ITS RATES)
AND CHARGES FOR ELECTRIC AND) NOTICE OF APPLICATION
NATURAL GAS SERVICE TO ELECTRIC)
AND NATURAL GAS CUSTOMERS IN THE) NOTICE OF
STATE OF IDAHO) INTERVENTION DEADLINE
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) **ORDER NO. 35684**
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On February 1, 2023, Avista Corporation (“Company”) filed an application (“Application”) requesting authorization to increase its rates for both electric and natural gas service. The Company represents that its existing base rates and charges for electric and natural gas service were approved in Commission Order No. 35156. Application at 3.

The Company requests a Two-Year Rate Plan with a Rate Year 1 electric base revenues increase of \$37.5 million and natural gas base revenues increase of \$2.8 million, effective September 1, 2023. *Id.* at 1. The Company also requests a Rate Year 2 electric base revenues increase of \$13.2 million and natural gas base revenues increase of \$0.1 million, effective September 1, 2024. *Id.* The Company requests a September 1, 2023, effective date.

The Company represents that it will separately file separate electric and natural gas applications requesting Commission approval to revise its book depreciation rates for both common/allocated plant and direct Idaho plant, effective September 1, 2023. *Id.* at 1-2. Avista states that the depreciations rates that it will propose are reflected in its asked for Two-Year Rate Plan. *Id.*

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that the Company represents that if its Application is approved, the electric general rate request will increase annual base revenues by \$37.5 million, or 14.7% on a billed basis, effective September 1, 2023; and \$13.2 million, or 4.5% on a billed basis, effective September 1, 2024. *Id.* at 1. Further, if approved, the natural gas general rate request will increase annual revenues by \$2.8 million, or 2.7% on a billed basis, effective September 1, 2023; and \$0.1 million, or 0.1% on a billed basis, effective September 1, 2024. *Id.* at 1-2. The Company

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states that the electric and natural gas requests are based on a proposed rate of return (“ROR”) of 7.59%, with a common equity ratio (“CER”) of 50%, and a 10.25% return on equity (“ROE”). *Id.* at 7.

YOU ARE FURTHER NOTIFIED that the Company represents that, effective September 1, 2023, Residential electric customers in Idaho using an average of 927 kilowatt hours (“kWh”) per month could expect to see a total billed increase of 15.4%, or \$13.18, for a revised monthly bill of \$98.58 from \$85.40, and the proposed monthly increase includes an \$8 per month increase in the basic charge to a level of \$15.00 per month. *See* Exhibit B attached to the Application. Further, effective September 1, 2024, residential electric customers in Idaho using an average of 927 kWh per month could expect to see a total billed increase of 4.7%, or \$4.66, for a revised monthly bill of \$103.24 from \$98.58, and that the proposed monthly increase includes a \$5 per month increase in the basic charge to a level of \$20.00 per month, offset by a slight decrease in the volumetric per-kWh rate. *Id.*

YOU ARE FURTHER NOTIFIED that the Company represents that, effective September 1, 2023, residential natural gas customers in Idaho using an average of 64 therms per month could expect to see a total billed increase of 3.5%, or \$2.60, for a revised monthly bill of \$76.02 from \$73.42, and the proposed monthly increase includes an \$8 per month increase in the basic charge to a level of \$15.00 a month, offset by a decrease in the volumetric, per-therm rate. *Id.* Further, effective September 1, 2024, residential natural gas customers in Idaho using an average of 64 therms per month could expect to see a total billed increase of 0.2%, or \$0.14, for a revised monthly bill of \$76.16 from \$76.02, and the proposed monthly increase includes a \$5 per month increase in the basic charge to a level of \$20.00 a month, offset by a decrease in the volumetric, per-therm rate. *Id.*

YOU ARE FURTHER NOTIFIED that the Company asserts the primary factors behind Avista’s proposed electric and natural gas revenue requirements in the Two-Year Rate Plan are an increase in net plant investment. Application at 4. Avista asserts that electric net power supply expenses also “contribute significantly” to the proposed incremental electric revenue requirement. *Id.* Last, the Company represents other factors affecting Avista’s revenue requirement are increases in distribution, operation and maintenance, and administrative and general expenses for both electric and natural gas operations. *Id.*

YOU ARE FURTHER NOTIFIED that the Company represents that notice to the public of the proposed rates and charges will be given to customers by distributing a customer notice, as a bill stuffer, to each customer over a billing cycle during the months of February and March 2023.

YOU ARE FURTHER NOTIFIED that the Application and supporting documentation have been filed with the Commission and are 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, or click on the "NATURAL GAS" icon, select "Open Cases," and click one of the case numbers as shown on the front of this document.

YOU ARE FURTHER NOTIFIED that **the Commission has designated this case as a general rate case**. As such, the Company's intrastate revenue requirement, and every component of it, both rate base and expense, are at issue. The Commission may grant, deny, or modify the revenue requirement requested and may find a revenue requirement different from that proposed by any party is just, fair, and reasonable. IDAPA 31.01.01.124.01.

YOU ARE FURTHER NOTIFIED that all of the Company's retail rates and charges, both recurring and non-recurring, including those of special contract customers, are at issue, and every component of every existing and proposed rate and charge is at issue. The Commission may approve, reject, or modify the rates and charges proposed and may find that rates and charges different from those proposed by any party are just, fair, and reasonable. IDAPA 31.01.01.124.02.

YOU ARE FURTHER NOTIFIED that the Commission may approve, reject, or modify existing or proposed relationships between and among rates and charges within, between, or among customer classes or rate groupings and may approve, reject, or modify existing or proposed relationships among and between customer classes or rate groupings. *Id.*

YOU ARE FURTHER NOTIFIED that the Commission may abolish, reduce, or create rate blocks or categories of rates and charges; abolish, create, or reduce components of rates and charges; abolish, reduce, or create customer classes or rate groupings; and abolish, reduce, or create absolute or relative differences among and between existing classes or rate groupings of customers. *Id.*

YOU ARE FURTHER NOTIFIED that the tariffs, practices, rules and regulations, service, instrumentalities, equipment, facilities, classifications, and customer relations of the utility are at issue, and the Commission may address any of them in its order. *Id.*

YOU ARE FURTHER NOTIFIED that the Commission has jurisdiction over the Company, its filing, and the issues pertaining to this case pursuant to 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 INTERVENTION DEADLINE

YOU ARE FURTHER NOTIFIED that persons desiring to intervene in this matter to obtain parties' rights of participation must file a Petition to Intervene with the Commission pursuant to this Commission's Rules of Procedure 71-73, IDAPA 31.01.01.072-073. **Persons who wish to intervene as a party must file a Petition to Intervene no later than 21 days after the date of service of this Order.** Persons desiring to present their views without parties' rights of participation do not have to intervene and may present their comments without prior notification to the Commission or the parties.

YOU ARE FURTHER NOTIFIED that the Commission Secretary shall issue a Notice of Parties after the deadline for intervention has passed. The Notice of Parties shall assign exhibit numbers to each party in this proceeding.

YOU ARE FURTHER NOTIFIED that once the Notice of Parties is issued, Commission Staff will informally confer with the parties to discuss a schedule to process this case and other issues as may be raised by the parties.

YOU ARE FURTHER NOTIFIED that the following persons are designated as the Company's representatives in this matter:

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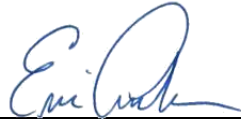
ORDER

IT IS HEREBY ORDERED that persons desiring to intervene in this case for the purpose of obtaining parties' rights of participation must file a Petition to Intervene with the Commission, under Rules 71-73, IDAPA 31.01.01.071-073, no later than 21 days after the service date of this Order.

IT IS FURTHER ORDERED that, after the Secretary issues a Notice of Parties, Staff will informally confer with the parties to discuss the appropriate scheduling of this case.

IT IS FURTHER ORDERED that parties comply with Order No. 35375, issued April 21, 2022. Generally, all pleadings should be filed with the Commission electronically and will be deemed timely filed when received by the Commission Secretary. *See* Rule 14.02. Service between parties should continue to be accomplished electronically when possible. However, voluminous discovery-related documents may be filed and served on CD-ROM or a USB flash drive.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 21st day of February 2023.



ERIC ANDERSON, PRESIDENT

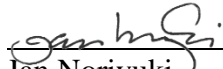


JOHN R. HAMMOND JR., COMMISSIONER



EDWARD LODGE, COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

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