

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF AVISTA** ) **CASE NO. AVU-E-23-08**  
**CORPORATION’S ANNUAL POWER COST** )  
**ADJUSTMENT (PCA) APPLICATION** ) **ORDER NO. 35937**  
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On July 31, 2023, Avista Corporation (“Company”), filed its annual Power Cost Adjustment (“PCA”) Application requesting to adjust the PCA surcharge rate for the period of October 1, 2023, to September 30, 2024. The Company included a copy of the proposed tariff Schedule 66, Temporary Power Cost Adjustment-Idaho (“Schedule 66”), with the proposed PCA rate. The Company requested that this matter be processed by modified procedure, and that the proposed rates take effect on October 1, 2023.

On August 18, 2023, the Commission issued a Notice of Application and Notice of Modified Procedure. Order No. 35896. Commission Staff submitted comments. One public comment opposing the proposed PCA surcharge rate increase was submitted. The Company did not reply to either.

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

**BACKGROUND**

The Company’s PCA is an annual adjustment mechanism that tracks changes in the Company’s “hydroelectric generation, secondary prices, thermal fuel costs, and other changes in power contract revenues and expenses.” Application at 2.

The present surcharge became effective October 1, 2022, and was primarily associated with power supply costs that were higher than those included in retail rates, due to higher wholesale electric and natural gas prices, lower hydro generation, and increased market purchases and off-systems sales than assumed in base rates. Case No. AVU-E-22-11, Order No. 35543. The surcharge rate ends on September 30, 2023. *Id.* at 3.

**THE APPLICATION**

The Company requested the Commission approve a PCA surcharge rate of 0.499¢ per kilowatt-hour (“kWh”). The Company’s request is an increase from the 0.150¢ per kWh surcharge currently being collected as approved in Order No. 35543. If approved, the new PCA surcharge

would represent an overall increase of \$10.9 million or 4.3% in Company revenues when accounting for the expiration of the existing surcharge.

The Company submitted written testimony from witnesses who explained the factors contributing to the power cost deferrals included in the proposed PCA adjustment. The Company also represented that it has filed monthly reports with its actual PCA deferral entries to date, and provided updated tariffs in Exhibit A.

### **STAFF COMMENTS**

Staff reviewed the Company's Application, Exhibits, written testimony, audit findings, and responses to production requests. Staff audited the Company's Net Power Costs ("NPC") data and analyzed the natural gas purchases, market purchases, transmission revenue, and expenses and other deferral items. Staff concluded that the Company's various power cost transactions were reasonable, prudently incurred, and complied with previous Commission orders and the Company's risk management principles.

Staff recommended that the Commission: (1) approve the Company's request to revise its tariff Schedule 66, as filed, effective as of October 1, 2023; (2) change the Company's PCA reporting to quarterly; (3) require that PCA reporting include two additional quarterly reports, the Power Transaction Register ("PTR") in .csv format and the Gas Accounting Data Download ("GADD") in Microsoft Excel format; and (4) accept late-filed comments from customers.

### **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, Company testimony, Staff's comments, and a public comment, the Commission finds the Company's various power cost transactions were reasonable, prudently incurred, and complied with previous Commission orders and the Company's risk management principles. The Commission approves the Company's request to revise its tariff Schedule 66, as filed, increasing the Company's annual revenue by \$10.9 million, effective as of October 1, 2023.

The Commission finds that the Company should continue to submit periodic PCA reports. However, considering the brief review time frame, we find it just and reasonable to modify the Company's PCA reporting period from monthly to quarterly. Additionally, to increase the efficiency of the audit and discovery process for PCA cases, these quarterly reports must include a copy of the PTR and GADD in Staff's recommended file formats.

**ORDER**

IT IS HEREBY ORDERED that the Company's Application to revise its tariff Schedule 66, effective as of October 1, 2023, is approved.

IT IS FURTHER ORDERED that the Company's requested PCA surcharge rate of 0.499¢ per kWh, effective from October 1, 2023, to September 30, 2024, is approved.

IT IS FURTHER ORDERED that the Company shall submit PCA reports to the Commission on a quarterly basis. The Company's quarterly PCA reports must include the PTR, and the GADD in Staff's recommended file formats.

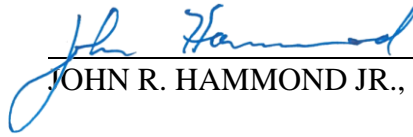
THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order regarding any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition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

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DONE by Order of the Public Utilities Commission at Boise, Idaho this 28<sup>th</sup> day of September 2023.



ERIC ANDERSON, PRESIDENT

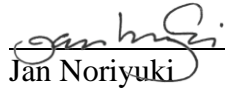


JOHN R. HAMMOND JR., COMMISSIONER



EDWARD LODGE, COMMISSIONER

ATTEST:



Jan Noriyuki  
Commission Secretary

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