

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF AVISTA)	CASE NO. AVU-E-25-07
CORPORATION'S POWER COST)	
ADJUSTMENT (PCA) ANNUAL RATE)	
ADJUSTMENT FILING)	ORDER NO. 36777
)	

On July 31, 2025, Avista Corporation (“Company”) applied to the Idaho Public Utilities Commission (“Commission”) requesting approval of recovery of power costs deferred for the period July 1, 2024 through June 30, 2025, and approving a power cost adjustment (“PCA”) rebate rate of 0.301¢ per kilowatt-hour (“kWh”) to be effective October 1, 2025 (“Application”). If the new PCA rates are approved as filed, an average residential customer using 939 kWh of electricity a month would expect their monthly bill to decrease by \$0.51, or about 0.5 percent.

On August 20, 2025, the Commission issued a Notice of Modified Procedure, setting public comment and Company reply deadlines. Order No. 36726. Commission Staff (“Staff”) filed the only comments.

Based on our review of the record, the Commission now issues this Final Order approving the Company’s Application.

BACKGROUND

The PCA is a mechanism that monitors changes in revenues and costs associated with hydroelectric generation, secondary prices, thermal fuel costs, and changes in revenues and expenses from power contracts. The present PCA rebate rate is 0.246¢ per kWh, based on an overall rebate of approximately \$7.9 million, which was approved by the Commission in Order Nos. 36339 and 36376, dated October 1, 2024 and October 30, 2024, respectively, and is effective, through September 30, 2025.

THE APPLICATION

The Company represented that the proposed PCA rate adjustment of 0.301¢ per kWh would return approximately \$9.6 million to customers effective October 1, 2025. *Id.* at 3. The Company stated that the proposed rebate is mainly due to power supply costs that were lower than those included in retail rates because of lower wholesale electric and natural gas prices. *Id.* The net effect of the expiring rebate rates and the proposed rebate rates effective from October 1, 2025,

through September 30, 2026, is an overall decrease in revenue of approximately 0.5 percent, or \$1.756 million. *Id.* at 3, 5.

STAFF COMMENTS

Staff reviewed and analyzed the Company’s Application, the accompanying testimonies of Company witnesses Kevin Holland and Kaylene Schultz, and additional information provided in responses to production requests. Staff Comments at 2. Staff’s review focused on the PCA deferral, the prudence of actual net power cost, and the PCA rates. *Id.* Additionally, Staff reviewed the sufficiency of the Company’s customer notice and press release. *Id.* Based on its review, Staff believed the requested PCA was prudent and recommended the Commission approve the Company’s Application updating Schedule 66, Temporary Power Cost Adjustment – Idaho. *Id.*

Staff’s Comments included Table No. 1 below, providing support for its recommended over collected deferral balance of \$4,853,052, which would result in a projected ending balance through September 2025 of negative \$9,559,674. *Id.* at 3.

Table No. 1: Summary of Power Supply and Deferrals for Current PCA Year - Idaho

Idaho Power Cost Deferral	Amount
LCA ¹ – Idaho Sales Adjustment	\$ (1,797,928)
Net Power Supply – Actual Minus Authorized	(2,186,366)
REC ² Revenues	(960,768)
Schedule 25P Net Cost	(808,011)
EIM ³ Incremental O&M	360,791
Total Cost (Subject to Company Sharing)	\$ (5,392,282)
Sharing Percentage over Authorized	90%
Total Idaho Deferral Amount	\$ (4,853,052)
Balancing Account	
Beginning Balance as of July 2025	(11,302,437)
Projected Amortization July 2025 through September 2025	1,876,276
Interest ⁴	(133,513)
Projected Ending Balance through September 2025	(9,559,674)
¹ Load Change Adjustment ² Renewable Energy Credit ³ Energy Imbalance Market ⁴ Calculated using the Authorized Customer Deposit Rate of 5% per annum	

Staff also believed that the Company’s actual net power cost during the PCA year of July 2024 through June 2025 was reasonable and prudent. *Id.* at 5. Staff compared the actual amount

of generation and unit cost to amounts used to determine the Company's base rates, analyzed plant downtime, and reviewed Commission-ordered adjustments affecting the Company's actual net power cost. *Id.*

Staff verified the proposed PCA rebate rate of 0.301¢ would reasonably refund customers for overcollection of actual new power costs. *Id.* at 8. Staff's Comments included Table No. 2 below, indicating the percentage change by customer class that would result from approval of the requested PCA rebate rate. *Id.*

Table No. 2: Percent Change of Billed Revenue by Schedule

Customer Class	Forecasted MWh	Revenue at Present Rates (000s)	Proposed Change (000s)	Percent Change
Residential	1,345,606	\$ 165,358	\$ (740)	-0.4%
General Service	923,919	\$ 90,280	\$ (508)	-0.6%
Large General Service	133,466	\$ 18,739	\$ (73)	-0.4%
Extra Large General Service	349,435	\$ 22,327	\$ (192)	-0.9%
Clearwater	368,629	\$ 36,136	\$ (203)	-0.6%
Pumping Service	62,677	\$ 7,577	\$ (34)	-0.4%
Street & Area Lights	9,772	\$ 4,530	\$ (5)	-0.1%
Total	3,193,504	\$ 344,947	\$ (1,755)	-0.5%

Staff reviewed the combined impact of the PCA proposed in this case, the Company's proposed Fixed Cost Adjustment ("FCA") filing (Case No. AVU-E-25-08), its Bonneville Power Administration Residential Exchange Program ("ResEx") filing (Case No. AVU-E-25-09), and its Schedule 91, Energy Efficiency Rider Adjustment ("EE Rider") filing (AVU- E- 25- 10) filing. *Id.* Staff's Comments included Table No. 3, which summarizes the overall impact on electric revenues, assuming the four filings are approved as submitted. *Id.* at 5.

Table No. 3: Summary of Overall Impact to Electric Revenues

Filing	Change in Revenues	% Change
PCA	\$2.6 million	0.8%
FCA	(\$1.8 million)	-0.6%
ResEx Credit	\$1.9 million	0.6%
EE Rider	\$3.6 million	1.2%
Total	\$6.3 million	2.0%

Staff also reviewed the Company's press release and customer notice that were included with its Application. *Id.* The notice was included with bills mailed to customers between August 1, 2025, and August 29, 2025. *Id.* Staff believed that both met the requirements of Rule 125 of the Commission's Rules of Civil Procedure. *Id.*

COMMISSION FINDINGS AND DECISION

The Commission has jurisdiction over the Company's Application and the issues in this case under Title 61 of the Idaho Code including *Idaho Code* §§ 61-301 through 303. The Commission is empowered to investigate rates, charges, rules, regulations, practices, and contracts of all public utilities and to determine whether they are just, reasonable, preferential, discriminatory, or in violation of any provisions of law, and to fix the same by order. *Idaho Code* §§ 61-501 through 503.

Having reviewed the Application, all submitted comments, and all submitted materials, the Commission finds it fair, just, and reasonable to approve the Application as filed.


ORDER

IT IS HEREBY ORDERED that the Company's power costs deferred for the period of July 1, 2024, through June 30, 2025, are approved as filed.

IT IS FURTHER ORDERED that the Company's proposed tariff modifications to Schedule 66 of a per kWh PCA rebate of 0.301¢ with an effective date of October 1, 2025, are approved as filed.

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. *See Idaho Code* § 61-626.


DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 29th day of September, 2025.


EDWARD LODGE, PRESIDENT


JOHN R. HAMMOND JR., COMMISSIONER


DAYN HARDIE, COMMISSIONER

ATTEST:


Laura Calderon Robles
Interim Commission Secretary

I:\Legal\ELECTRIC\AVU-E-25-07_PCA\orders\AVUE2507_FO_jl.docx