

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF AVISTA)	CASE NO. AVU-E-25-08
CORPORATION'S FIXED COST)	
ADJUSTMENT (FCA) MECHANISM)	NOTICE OF APPLICATION
ANNUAL RATE ADJUSTMENT FILING)	
)	NOTICE OF MODIFIED
)	PROCEDURE
)	
)	ORDER NO. 36727

On July 31, 2025, Avista Corporation (“Company”) applied to the Idaho Public Utilities Commission (“Commission”) requesting approval of fixed cost adjustment (“FCA”) deferrals for the period of July 1, 2024 through June 30, 2025, a per kilowatt-hour (“kWh”) FCA surcharge of 0.018¢ for the Residential Group (Schedule 1 customers), and a per kWh FCA surcharge of 0.058¢ for the Non-Residential Group (Schedule 11, 12, 21, 22, 31 and 32 customers) to be effective October 1, 2025 (“Application”). If the new FCA rates are approved as filed, an average residential customer using 939 kWh of electricity a month would expect their monthly bill to increase by \$1.38, or about 1.3 percent. With this Order, the Commission provides notice of the Company’s Application and orders that the Application be processed under Modified Procedure.

BACKGROUND

The FCA is a rate adjustment mechanism designed to break the link between the energy a utility sells and the revenue it collects to recover fixed costs—such as infrastructure and customer service, which do not vary with energy use, output, or production, and remain relatively stable between rate cases—thus decoupling the utility’s revenues from its customers’ energy usage. This decoupling removes a utility’s incentive to increase sales to increase revenue and profits and encourages energy conservation.

The Commission originally approved a three-year pilot program of the Company’s FCA as part of the approved settlement of the Company’s 2015 rate case. Order No. 33437 at 10. The parties to the Company’s rate case agreed to review the program’s effectiveness at the end of its second full year, to ensure the program was functioning as intended. On June 15, 2018, the Commission approved an addendum to the settlement that extended the term of the Company’s FCA pilot for an additional year. Order No. 34085. On December 13, 2019, the Commission

authorized the Company to extend its FCA mechanism for both gas and electric customers through March 31, 2025. Order No. 34502. On September 27, 2025, the Commission granted the Company authorization to adjust its FCA rates for electric service from October 1, 2024, through September 30, 2025. Order No. 36335 at 5.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that the Company represents that the FCA rate for the Residential Group is proposed to change from a present rebate rate of 0.129¢ to a proposed surcharge rate of 0.018¢ per kWh, representing a \$2 million, or 1.2 percent increase to Schedule 1 customers. Application at 1–2. The Company states that the proposed surcharge for the Residential Group is designed to recover \$242,209 from customers. *Id.* at 6.

YOU ARE FURTHER NOTIFIED that the Company represents that the FCA rate for the Non-Residential Group is proposed to change from a present surcharge rate of 0.004¢ to a proposed surcharge rate of 0.058¢ per kWh representing a \$0.6 million, or 0.5%, increase to the Non-Residential Group customers. *Id.* at 1–2. The Company states that the proposed surcharge for the Non-Residential Group is designed to recover \$649,636 from customers. *Id.* at 7.

YOU ARE FURTHER NOTIFIED that the Company states that the proposed surcharge rate for both the Residential Group and Non-Residential Group are the result of lower monthly use-per-customer than that embedded in the 2022 test year due to a warmer than normal 12-month period that ended June 30, 2025. *Id.* at 6.

YOU ARE FURTHER NOTIFIED that the Application is available for public inspection during regular business hours at the Commission’s office. The Application is also available on the Commission’s website at www.puc.idaho.gov. Click on the “ELECTRIC” icon, select “Open Cases,” and click on the case number as shown on the front of this document.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission’s jurisdiction under Title 61 of the Idaho Code, and 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 MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter, and that it will proceed under Modified

Procedure pursuant to the Commission's Rules of Procedure 201-204, IDAPA 31.01.01.201-.204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that persons desiring to state a position on this Application may file a written comment explaining why the person supports or opposes the Application. Persons who would like a hearing must specifically request a hearing in their written comments and explain why written comments alone are insufficient. **Persons interested in filing written comments, must do so by September 10, 2025.** Comments must be filed through the Commission's website or by e-mail unless computer access is unavailable. To comment electronically, please access the Commission's website at <http://www.puc.idaho.gov/>. Click the "Case Comment Form" and complete the form using the case number as it appears on the front of this document.

To file by e-mail, persons must e-mail the comments to the Commission Secretary and all parties at the e-mail addresses listed below. Persons submitting a comment by e-mail must provide their name, address, and the Case Number under which they are commenting. Persons submitting a comment by e-mail also acknowledge that submitting a comment in an open case constitutes a public record under *Idaho Code* § 74-101(13), and all information provided by such person is available for public and media inspection.

If computer access is unavailable, then comments may be mailed to the Commission and the Parties at the addresses below. Persons submitting a comment by mail must provide their name, address, and the Case Number under which they are commenting. Persons submitting a comment by mail also acknowledge that submitting a comment in an open case constitutes a public record under *Idaho Code* § 74-101(13), and all information provided by such person is available for public and media inspection.

**For the Idaho Public Utilities
Commission:**

Commission Secretary
Idaho Public Utilities Commission
P.O. Box 83720
Boise, ID 83720-0074
secretary@puc.idaho.gov

For the Company:

David Meyer
Avista Corporation
P. O. Box 3727
Spokane, WA 99220- 3727
david.meyer@avistacorp.com

Street Address for Express Mail:

11331 W. Chinden Blvd.
Building 8, Suite 201-A
Boise, ID 83714

Patrick D. Ehrbar
Avista Corporation
P. O. Box 3727
Spokane, WA 99220- 3727
patrick.ehrbar@avistacorp.com

Electronically
dockets@avistacorp.com

YOU ARE FURTHER NOTIFIED that the Company must file any reply comments **by September 17, 2025.**

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its final order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

ORDER

IT IS HEREBY ORDERED that this Application be processed under Modified Procedure. Persons interested in submitting written comments must do so by September 10, 2025. The Company must file any reply comments by September 17, 2025.

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 20th day of August 2025.


EDWARD LODGE, PRESIDENT


JOHN R. HAMMOND JR., COMMISSIONER


DAYN HARDIE, COMMISSIONER

ATTEST:


Monica Barrios-Sanchez
Commission Secretary

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