

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF AVISTA	)	CASE NO. AVU-E-26-06
CORPORATION'S ELECTRIC FIXED COST	)	
ADJUSTMENT ANNUAL RATE FILING	)	NOTICE OF APPLICATION
	)	
	)	NOTICE OF MODIFIED
	)	PROCEDURE
	)	
	)	ORDER NO. 37141

On July 31, 2026, Avista Corporation (“Company”) applied to the Idaho Public Utilities Commission (“Commission”) requesting approval of the level of electric Fixed Cost Adjustment Mechanism (“FCA”) revenue deferred during the 12-month period from July 2025 through June 2026 and authorization of FCA rates for electric service from October 1, 2026, through September 30, 2027 (“Application”). The Application proposes an increase to the surcharge rate for the Residential Group and a change from a surcharge rate to a rebate rate for the Non-Residential Group. *Id.* at 1-2.

With this Order we issue notice of the Company’s Application and set public comment and Company reply deadlines.

BACKGROUND

The FCA is a rate adjustment mechanism designed to separate the amount of energy a utility sells and the revenue it collects to recover fixed costs, such as infrastructure and customer service costs. These costs do not vary with energy use, output, or production and remain relatively stable between rate cases. By separating utility revenues from customer energy usage, the FCA removes the utility’s incentive to increase sales to increase revenue and profits, thereby encouraging 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 30, 2025, the Commission approved the Company's deferrals for the Residential and Non-Residential Groups for the period of July 1, 2024, through June 30, 2025, and the Company's proposed tariff modifications to Schedule 75 of a per kilowatt-hour ("kWh") FCA surcharge rate of 0.018¢ for the Residential Group, and a per kWh FCA surcharge rate of 0.058¢ for the Non-Residential Group, both with an effective date of October 1, 2025. Order No. 36784 at 4.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that the Company represents that the FCA surcharge rate for the Residential Group is proposed to increase from 0.018¢ per kWh to 0.405¢ per kWh which represents a \$5.3 million, or 3% increase to Schedule 1 customers, effective October 1, 2026. Application at 1-2.

YOU ARE FURTHER NOTIFIED that the Company represents that the FCA surcharge rate for the Non-Residential Group is proposed to decrease from 0.058¢ per kWh to a rebate rate of 0.055¢ per kWh which represents a \$1.3 million, or 1% decrease to Schedule 11, 12, 21, 22, 31, and 32 customers, effective October 1, 2026. Application at 1-2.

YOU ARE FURTHER NOTIFIED that the Company states that the proposed increase to the surcharge for residential customers is explained by lower monthly use-per-customer than the use-per-customer that was embedded in retail rates for the test year ending June 30, 2024. *Id.* at 5-6. The Company attributes the change in use to a warmer than average winter and higher participation in the Company's Demand Side Management programs. *Id.* at 6.

YOU ARE FURTHER NOTIFIED that the Company states that the proposed rebate for non-residential customers is explained by higher monthly use-per-customer in the test year ending June 30, 2024. *Id.*

YOU ARE FURTHER NOTIFIED that the Company anticipates that a residential customer using an average of 939 kWh per month would see their monthly bill increase \$3.63 or 3% per month. *Id.* at 10.

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 8, 2026.** 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 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
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For the Company:

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YOU ARE FURTHER NOTIFIED that the Company must file any reply comments by **September 15, 2026**.

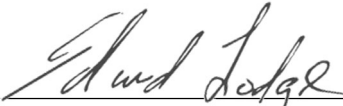
YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its final order without a formal hearing. If written comments are received within the time limit set, the Commission will consider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

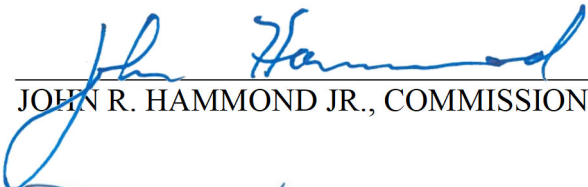
ORDER

IT IS HEREBY ORDERED that this Application be processed under Modified Procedure. Persons interested in submitting written comments must do so by **September 8, 2026**. The Company must file any reply comments by **September 15, 2026**.

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 18th day of August 2026.


EDWARD LODGE, PRESIDENT


JOHN R. HAMMOND JR., COMMISSIONER


DAYN HARDIE, COMMISSIONER

ATTEST:


Monica Barrios-Sanchez
Commission Secretary
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