Office of the Secretary
Service Date
September 2, 2026

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF AVISTA CORPORATION'S APPLICATION FOR AN ACCOUNTING ORDER AUTHORIZING A CARRYING CHARGE ON BALANCES ASSOCIATED WITH THE COMPANY'S DEMAND SIDE MANAGEMENT PROGRAMS	)	**CASE NOS. AVU-E-26-08 AVU-G-26-04** **ORDER NO. 37153**

On June 5, 2026, Avista Corporation, doing business as Avista Utilities, ("Company") applied to the Idaho Public Utilities Commission ("Commission") requesting approval to incorporate a carrying charge ("Application"), at the rate of 4.0% for 2026 and to be effective January 1, 2026, that would be updated each year based on the newest annual rate approved by the Commission, on the unamortized balances of the Company's Schedules 91 and 191 ("Energy Efficiency Rider Adjustment – Idaho"). Application at 1–2.

On July 14, 2026, the Commission issued a Notice of Application and Notice of Modified Procedure, setting comment and reply deadlines. Order No. 37098. Commission Staff ("Staff") filed comments to which the Company replied. No other comments were received.

Based on our review of the record, we issue this Final Order approving the Application, effective May 1, 2026.

THE APPLICATION

The Company represented that as of May 2026, its Schedule 91 demand-side management ("DSM") tariff rider maintained "an unamortized balance of nearly $28.5 million," which would continue to grow due to the current rate of recovery of 3.3% that the Commission set in Order No. 37047. Application at 3. The Company stated that it would have to finance the unamortized balance, which would cost the Company both debt and equity due to the length of time for the proposed recovery, until rates return the amount of the balance to the Company. *Id.* The Company believed that without the requested carrying charge, the Company would have to absorb 100% of the financing costs for DSM expenditures. *Id.* The Company believed that an approved carrying charge would alleviate the financial pressure of the unrecovered balance of Schedule 91 and recognize that financing comes at a cost for the Company. *Id.* at 4. Finally, the Company represented that incorporating the carrying charge in the Energy Efficiency Rider Adjustment –

Idaho would be in line with DSM tariffs that other Commission regulated utilities have set in place. *Id.* at 1.

STAFF COMMENTS

Staff reviewed the Application, prior orders regarding the Company's energy efficiency ("EE") programs, and Order No. 37025. Staff Comments at 2. Based on its review, Staff recommended the Commission allow the Company to apply a carrying charge on the balances for Schedules 91 and 191. *Id.* Staff also recommended the Commission permit the Company to use the customer deposit rate approved by the Commission in Order No. 36836 as the carrying charge. *Id.* Finally, Staff recommended the carrying charge take effect on the date of the Commission's order in this case. *Id.*

Staff believed that untimely recovery of EE costs "creates a financing mismatch" between when the costs are incurred and when the Company recovers the EE costs. *Id.* Specifically, Staff believed untimely recovery could produce generational equity issues, could increase rates in the future, and could create the need for the Company to finance the EE costs. *Id.* Staff believed the regulatory principles for the Commission-approved customer deposit rate on the balances for the Company's power cost adjustment, purchased gas adjustment, and fixed cost adjustment could apply to the deferred balances for the Energy Efficiency Rider Adjustment – Idaho. *Id.* at 2–3. Staff believed the carrying charge would be consistent with how the Commission has treated other deferred balances and would help the Company avoid incurring financing costs for expenditures that were authorized and deemed prudently incurred by the Commission. *Id.* at 3.

Staff noted that because the Company's deferred EE Rider Balance would remain unrecovered, the Company would have to finance the unrecovered amount until it was all recovered through rates. *Id.* Based on prior Commission orders, Staff believed the carrying charge was an effective and reasonable way to recognize the financing costs the Company would incur due to the unrecovered and prudently incurred EE Rider Balance. *Id.* at 3–4. Finally, Staff believed the carrying charges should not begin accruing until the Commission issues its order in this case because Order No. 37047, which was the basis of the Company's request in the Application, was issued after January 1, 2026, and thus the effective date of the Commission's decision in this case should not retroactively apply before the sequence of events that inspired the request occurred. *Id.* at 4.

COMPANY REPLY

The Company reasserted its request to have the carrying charge be effective on January 1, 2026. Company Reply at 1. The Company argued that because other utility companies have been permitted by the Commission to apply a carrying charge for some time, and those companies get to utilize that option for a full calendar year, the Company should get the same treatment. *Id.* at 1–2.

The Company also argued the carrying charge should be effective January 1, 2026, because the rate requested for the charge was conservative and the balances were already significant on January 1, 2026. *Id.* at 2. The Company asserted the difference between the Company's requested January 1, 2026, effective date, and Staff's recommendation for the carrying charge the Company would possibly record for its 2026 electric and natural gas operations would be $702,000. *Id.* at 2–3. For those reasons, the Company argued that it would be reasonable for the Commission to approve an effective date of January 1, 2026. *Id.* at 3.

In the event the Commission disagreed with the Company's arguments for a January 1, 2026, effective date, the Company requested the Commission approve a May 1, 2026, effective date, because it was a reasonable middle ground between the Company's original request and Staff's recommendation. *Id.*

COMMISSION FINDINGS AND DECISION

The Commission has jurisdiction over the Application and the issues in this case under Title 61 of the Idaho Code including, *Idaho Code* §§ 61-501, -502, and -503. 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, -502, and -503.

The Commission has reviewed the record in this case. Based on our review, we find it fair, just, and reasonable to approve the Company's request to apply a carrying charge, at the current Commission-authorized Customer Deposit Rate of 4.0%, to the balances associated with the Energy Efficiency Rider Adjustment – Idaho, Schedule 91 and 191, effective May 1, 2026. We also find that the carrying charge rate shall be updated annually and shall be based on the Commission-authorized interest rate on customer deposits for the applicable year.

ORDER

IT IS HEREBY ORDERED that the Company's request to apply a carrying charge, at the current Commission-authorized Customer Deposit Rate of 4.0%, to the balances associated with the Energy Efficiency Rider Adjustment – Idaho, Schedule 91 and 191, is approved, effective May 1, 2026.

IT IS FURTHER ORDERED that the carrying charge rate shall be updated annually and shall be based on the Commission-authorized interest rate on customer deposits for the applicable year.

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

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 2nd day of September 2026.

EDWARD LODGE, PRESIDENT

JOHN R. HAMMOND JR., COMMISSIONER

DAYN HARDIE, COMMISSIONER

ATTEST:

Monica Barrios-Sanchez
Commission Secretary
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