

DECISION MEMORANDUM

TO: COMMISSIONER ANDERSON
COMMISSIONER LODGE
COMMISSIONER HAMMOND
COMMISSION SECRETARY
LEGAL

FROM: CURTIS THADEN
DAYN HARDIE

DATE: DECEMBER 19, 2023

RE: REVISION TO AVISTA UTILITES ELECTRIC SERVICE IPUC TARIFF
NO. 28, SCHEDULE 58 FRANCHISE FEE AGREEMENT WITH THE
CITY OF GRANGEVILLE; TARIFF ADVICE NO. AVU-TAE-23-01

On November 6, 2023, Avista Corporation d/b/a Avista Utilities (“Avista” or “Company”) submitted Tariff Advice No. AVU-TAE-23-01 to revise Avista’s IPUC Tariff No. 28 to add the City of Grangeville to Schedule No. 58 (Tax Adjustment Schedule – Idaho) (“Schedule No. 58”). The purpose of the filing is to update the Company’s tariff for a new 1% franchise fee imposed on gross revenue from the sale of electricity to customers within corporate limits of the City of Grangeville.¹ The new agreement would remain in effect until August 2026, from the proposed January 1, 2024 effective date, unless amended in the manner set forth by Grangeville City Ordinance No. 972. Included with the filing is 1) Ordinance No. 972, which sets forth the City Franchise Agreement with the Company; and 2) the proposed revisions to Schedule No. 58.

The proposed franchise fee agreement was approved by the City of Grangeville on October 16, 2023, as authorized in Grangeville City Ordinance No. 972. Avista requests an effective date of January 1, 2024.

¹ On July 9, 2001, Avista and the City of Grangeville signed a 25-year electric franchise agreement. This was Ordinance No. 738. There was no franchise fee negotiated at that time.

BACKGROUND

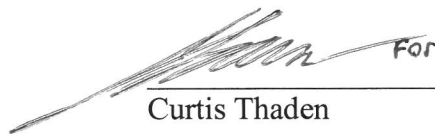
Idaho Code § 50-329A allows cities to establish franchise fees assessed upon a public service provider up to 1% of the provider's gross revenue in that city without the consent of the public service provider or the approval of a majority of voters of the city voting on the proposal at an election. Franchise fees up to 3% are allowed with either the consent of the public service provider or the approval of a majority of voters of the city voting on the question at an election.

STAFF RECOMMENDATION

Staff has reviewed the proposed tariff change, the franchise agreement for the City of Grangeville, and the franchise fee requirements of *Idaho Code* § 50-329A. Staff recommends that the Commission accept the Company's proposed revision to Schedule No. 58 as filed, effective date of January 1, 2024.

COMMISSION DECISION

Does the Commission wish to accept the Company's proposed revision to Schedule No. 58, as filed, effective January 1, 2024?

 For

Curtis Thaden

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