
IDAHO PUBLIC UTILITIES COMMISSION

For Immediate Release

Case No. AVU-E-04-1, AVU-G-04-1

May 4, 2004

Contact: Gene Fadness (208) 334-0339

Website: www.puc.state.id.us

Avista case workshops planned for Coeur d'Alene, Moscow

Boise – Staff from the Idaho Public Utilities Commission will conduct public workshops May 25 and May 26 regarding Avista Utilities' application to increase both its electric and gas rates.

The workshops will give Avista customers an opportunity to hear from commission staff regarding the company's application and then to ask questions of staff and company representatives.

Avista, which has about 105,000 customers in its northern Idaho territory, is requesting an average 24.1 percent increase in electric rates and a 9.2 percent average increase in gas rates. Avista is also proposing a reduction in its annual power cost adjustment surcharge that would lessen the 24.1 percent increase to residential customers to about 13.5 percent. Avista proposes an increase in the monthly customer service charge from \$4 to \$5 per month for electric customers.

Commission staff, which includes auditors, engineers and attorneys, is investigating the utility's application. The company's application, as well as other documents related to the case, are available on the commission's Web site at www.puc.state.id.us. Click on "Avista rate case" in the upper right-hand corner of the page. The application can also be viewed during regular business hours at the commission's office at 472 W. Washington St. in Boise and at the Idaho offices of Avista utilities.

Intervenors in the case include Potlatch Corporation, Coeur Silver Valley, Inc., and the Community Action Partnership of Idaho. Coeur Silver Valley owns two silver mines between Osborn and Wallace. The Community Action Partnership of Idaho is a non-profit corporation consisting of six community action agencies across the state, representing the interests of primarily low-income citizens.

The workshop schedule is as follows:

- Coeur d'Alene – Tuesday, May 25, at 7 p.m. in the Blue Creek Echo Bay Room of the Student Union Building, North Idaho College, 1000 West Garden Avenue.
- Moscow – Wednesday, May 26, at 7 p.m. at the Best Western University Inn, 1516 Pullman Road.

Formal hearings in the case are scheduled for July 26 in Kellogg and Sandpoint and for July 27 in Lewiston.

According to the company's calculations, a residential electric customer using 1,000 kWh a month would see an increase from \$60.15 to \$68.37 if Avista's proposal were accepted. That includes the proposed reduction in the power cost adjustment surcharge.

Avista's proposed electric increases for other customer classes, including the proposed reduction in the power cost surcharge, are 8.7 percent for general service, 10.1 percent for large general service and 12.1 percent for irrigation customers.

Avista claims the electric increase is needed because of the addition of new generation, a reduction in wholesale sales revenue, increased natural gas costs, a decline in electric use by customers, record low-water conditions and unprecedented high wholesale market prices that resulted in credit ratings below investment grade and increased financing costs.

Gas rates for residential customers would increase by 10 percent under Avista's proposal from 78.69 cents per therm to 86.56 cents. The company proposes an increase from \$3.28 to \$5 per month in the customer service charge for gas customers. Under the company's proposal, the monthly bill for a residential gas customer using an average of 70 therms of natural gas would increase from \$57.68 to \$63.26.

The company claims the gas rate increase is needed because of a decline in natural gas use by customers, a growth in the number of customers and general increases in expenses since the last rate increase 14 years ago.

Last fall, the commission extended for one year a 19.4 percent surcharge added to electric customers' bills to recover costs associated with the record-low stream flow conditions and high market prices during the energy crisis of 2000-01. Under the company's proposal, that surcharge would be reduced and spread over two years, reducing the size of the general rate increase on customers.