C.L. Butch Otter, Governor

Paul Kjellander, Commissioner Marsha Smith, Commissioner Kristine Raper. Commissioner

Case No. AVU-G-15-03, Order No. 33444

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Commission adopts Avista Utilities application to resume natural gas efficiency programs

BOISE (Dec. 30, 2015) – The Idaho Public Utilities Commission is allowing Avista Utilities to resume natural gas efficiency programs and the rider that will accompany them effective Jan. 1.

The programs were suspended in 2012 for Avista's 78,000 natural gas customers in northern Idaho because low natural gas prices rendered the programs no longer cost-effective.

Resumption of the programs now, with natural gas prices back on an upward trend, is in the public interest, the commission ruled. "We conclude that Avista customers will ultimately benefit through resumption" of the programs, the commission said.

The rider to fund the programs will be about 1.7% of residential and commercial customers' monthly billed amount. For a customer who uses the company average of 61 therms, the increase will be about \$1.11 per month. Overall, natural gas rates will be lower in 2016 when this increase is combined with the 14.5% decrease in Avista's annual Purchased Gas Cost Adjustment customers received on Nov. 1 and the recently approved 3.5% increase to natural gas bas rates effective. Jan. 1.

Electric and natural gas utilities typically offer programs that reduce demand on electric and natural gas supply, thus delaying the need to build or buy new generation and reducing costs for all customers. All of the programs must pass cost-effectiveness tests that demonstrate costs to all customers – not just those who participate in the programs – would be greater without the programs in place.

Avista's natural gas efficiency programs offer rebates and other incentives to customers who install weatherization as well as high-efficiency natural gas appliances. Avista estimates that the first year savings (2016-17) will be about 233,000 therms in its Idaho territory.

The commission's order and other documents related to this case, including customer comments, are available on the commission's Website at www.puc.idaho.gov. Click on "Open Cases" under the "Natural Gas" heading and scroll down to Case No. AVU-G-15-03.

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