

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF AVISTA)
CORPORATION DBA AVISTA UTILITIES') CASE NOS. AVU-E-16-01
APPLICATION FOR AN ACCOUNTING) AVU-G-16-01
ORDER RELATED TO COSTS INCURRED)
TO OFFER CUSTOMERS A FEE-FREE) NOTICE OF APPLICATION
PAYMENT PROGRAM.)
)
) NOTICE OF
) MODIFIED PROCEDURE
)
)
) ORDER NO. 33459**

On January 13, 2016, Avista Corporation dba Avista Utilities applied for an Order authorizing it to record, as a regulatory asset, the costs it incurs to offer a fee-free payment program to its residential customers. The Company does not seek to recover the costs now. Rather, it requests an Accounting Order that will let it defer and record the costs so it will have the opportunity to recover those costs through future rates. The Company asks the Commission to process the Application by Modified Procedure.

With this Order, the Commission provides notice of the Application, and invites interested persons to submit written comments.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that Avista currently uses a third-party vendor to process one-time payments that residential customers make through Avista's web site or by telephone. The vendor collects a \$3.50 "convenience fee" if the customer pays by checking or savings account but lacks an Avista "My Account" profile, or by credit or debit card. On the other hand, customers with a "My Account" profile may pay by phone or Avista's web site without being charged a convenience fee. Customers also are not charged the fee if they pay by check, cash, or pay station.

YOU ARE FURTHER NOTIFIED that Avista would like to eliminate the "convenience fee" so its residential customers may pay their bills by any method without incurring an extra charge. However, Avista does not want to create a fee-free payment program if it will incur costs that will cause it and its shareholders to lose money. The Company thus

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seeks to defer, for later recovery from customers through rates, the costs it incurs to set up and offer the fee-free payment program. The Company expects the deferred costs will be about \$195,000 per year on an Idaho electric allocated basis, and about \$120,000 per year on an Idaho natural gas allocated basis.

YOU ARE FURTHER NOTIFIED that with this Application, the Company asks the Commission to approve an accounting treatment that would let the Company defer the program costs for up to 36 months from the month in which the program begins. Every six months, the Company would update the Commission on program participation rates and fees incurred. Then, after the Company has 12 to 18 months of history with the program, the Company would seek to recover the program's costs as part of a general rate case. In the rate case, the Company would ask to amortize and recover the costs from all customers over a two-year period, with no return on the unamortized balance. The Company also asks the Commission to approve this proposed ratemaking treatment. As noted above, while the Company is asking to track the fee-free program's costs for possible future recovery through rates, the Company's Application does not seek to recover those costs, or increase rates, at this time.

YOU ARE FURTHER NOTIFIED that the Application and its exhibits have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. These documents are also available on the Commission's web site at www.puc.idaho.gov. Click on the "File Room" tab at the top of the page, scroll down to "Electric Cases" or "Natural Gas Cases," and click on the case numbers 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 specifically *Idaho Code* §§ 61-501 and -524. The Commission may enter any final Order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED 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 Rules 201 through 204 of the Idaho Public Utilities Commission's Rules of Procedure. *See* IDAPA 31.01.01.201 through .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 any person desiring to state a position on the Company's Application may file a written comment in support or opposition with the Commission **no later than March 14, 2016**. The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning the Application shall be mailed to the Commission and the Company at the addresses reflected below:

Commission Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

Street Address for Express Mail:

472 W. Washington Street
Boise, ID 83702-5918

David J. Meyer, Esq.
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1411 E. Mission Avenue, MSC 13
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These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at www.puc.idaho.gov. Scroll to the "Consumers" tab, click the "Utility Case Comment or Question Form," and complete the form using the case number as it appears on the front of this document. These comments must also be sent to the Company at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that the Company shall file reply comments, if necessary, **no later than March 21, 2016**.

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 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 case be processed under Modified Procedure. Interested persons may file written comments no later than March 14, 2016. The Company may file a reply, if any, no later than March 21, 2016.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 29th day of January 2016.



PAUL KJELLANDER, PRESIDENT

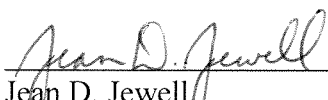


KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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