

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF AVISTA ) CASE NO. AVU-G-20-04**  
**CORPORATION’S APPLICATION TO )**  
**CHANGE ITS NATURAL GAS RATES AND ) NOTICE OF APPLICATION**  
**CHARGES (2020 PURCHASED GAS COST )**  
**ADJUSTMENT) NOTICE OF**  
**) INTERVENTION DEADLINE**  
**)**  
**) NOTICE OF**  
**) MODIFIED PROCEDURE**  
**)**  
**) ORDER NO. 34733**  
**)**

---

On June 30, 2020, Avista Corporation dba Avista Utilities (“Avista”) filed its annual Purchased Gas Cost Adjustment (PGA) Application. The PGA is a Commission-approved mechanism that adjusts rates up or down to reflect changes in Avista’s costs to buy natural gas from suppliers—including changes in transportation, storage, and other related costs. Avista defers these costs into its PGA account, and then passes them on to customers through an increase or decrease in rates.

Avista states its proposal will increase rates for an average residential or small commercial customer by \$0.31 per month (0.6%). Avista states it will send a customer notice to each customer and has issued a press release to interested media outlets. Avista asks that its Application be processed by Modified Procedure, and that the new rates take effect November 1, 2020.

**NOTICE OF APPLICATION**

***A. Overview of Proposed Rates***

YOU ARE HEREBY NOTIFIED that Avista distributes natural gas in northern Idaho, eastern and central Washington, and southwestern and northeastern Oregon. Avista buys natural gas and then transports it through pipelines for delivery to customers. In this PGA Application, Avista proposes to: (1) pass any change in the estimated cost of natural gas for the next 12 months to customers (Tariff Schedule 150); and (2) revise the amortization rates to refund or collect the balance of deferred gas costs (Tariff Schedule 155). Avista proposes to change its PGA rates for its customer classes as follows:

Service	Schedule No.	Commodity Change per Therm	Demand Change per Therm	Total Sch. 150 Change	Amortization Change per Therm	Total Rate Change per Therm	Overall Percent Change
General	101	\$0.00955	\$(0.00345)	\$0.00610	\$(0.00129)	\$0.00481	<b>0.7%</b>
Lg. General	111	\$0.00955	\$(0.00345)	\$0.00610	\$(0.00129)	\$0.00481	<b>0.7%</b>
Lg. General	112	\$0.00955	\$(0.00345)	\$0.00610	\$ -	\$0.00610	<b>0.8%</b>
Interruptible	131	\$0.00955	\$ -	\$0.00955	\$ -	\$0.00955	<b>2.5%</b>
Transportation	146	\$ -	\$ -	\$ -	\$ -	\$ -	<b>0.0%</b>

Application at 3. Avista’s proposed changes to Schedules 150 and 155 and Avista’s rates are further explained below.

***B. Schedule 150***

YOU ARE FURTHER NOTIFIED that the Tariff Schedule 150 portion of the PGA has two parts: the “commodity costs” and the “demand costs.”

YOU ARE FURTHER NOTIFIED that Avista’s “commodity costs” are the variable costs at which Avista must buy natural gas. The weighted average cost of gas is an estimate of those costs. Here, Avista estimates its commodity costs will *increase* by \$0.00955 per therm, from the currently approved \$0.15328 per therm. To minimize exposure to potential rising gas costs, Avista diversifies how it procures natural gas. Avista’s procurement strategy includes hedging and estimating the cost of index purchases using a 15-day AECO forward price.

YOU ARE FURTHER NOTIFIED that Avista’s “demand costs” are its fixed-capacity costs for interstate transportation and underground storage. The demand costs primarily are costs to transport gas on interstate pipelines to Avista’s local distribution system. Avista proposes a \$0.00345 per therm *decrease* in the overall demand rate for customers on Schedules 101, 111, and 112. This reduction is caused by factors including the Canadian exchange rate, an updated demand forecast, and new rates for Avista’s Canadian pipelines. *Id.* at 4.

***C. Schedule 155***

YOU ARE FURTHER NOTIFIED that Tariff Schedule 155 reflects the amortization of Avista’s deferral account. With this Application, Avista proposes to decrease the amortization rate for general and large general service customers by \$0.00129 per therm. To put it another way, general and large general service customers will receive a \$0.00129 per therm increase to their current rebate under this schedule.

YOU ARE FURTHER NOTIFIED that if Avista’s Application is approved as filed, Avista’s annual revenue will increase by \$0.4 million (0.7%).

YOU ARE FURTHER NOTIFIED that Avista asserts it has or will notify customers of its proposed tariffs by posting notice at each of its Idaho district offices, and through a press release. Also, Avista states it will send notice to each customer as a bill insert during the July timeframe.

YOU ARE FURTHER NOTIFIED that the Application and Exhibits are available for public inspection during regular business hours at the Commission's office. The Application is also available on the Commission's web site at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click on the "NATURAL GAS" tab at the top of the home page, then select "Open Cases" and then locate and click on the case number 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. 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 INTERVENTION DEADLINE**

YOU ARE FURTHER NOTIFIED that persons who wish to intervene in this matter to obtain the rights of party (e.g., to file formal discovery, or present evidence or cross-examine witnesses at a hearing) must file a Petition to Intervene with the Commission under the Commission's Rules of Procedure 72 and 73, IDAPA 31.01.01.072 and .073. **Persons who wish to intervene as a party must file a Petition to Intervene by August 7, 2020.** Such persons shall also provide the Commission Secretary with their electronic mail address to facilitate further communications.

YOU ARE FURTHER NOTIFIED that persons who would like to present their views without parties' rights of participation and cross-examination are not required to intervene but may present their views by submitting written comments to the Commission.

YOU ARE FURTHER NOTIFIED that the Commission Secretary shall issue a Notice of Parties after the deadline for intervention has passed. The Notice of Parties shall assign exhibit numbers to each party in this proceeding.

#### **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 will proceed under Modified Procedure

pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission’s Rules of Procedure, 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 persons desiring to state a position on this Application may file a written comment explaining why the person supports or opposes the Application. Persons who would like a hearing must specifically request a hearing in their written comments. **Persons shall have until October 6, 2020 to file written comments.** Comments must be filed by e-mail unless e-mail is unavailable. To comment by e-mail, please access the Commission’s home page at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click the “Consumers” tab and then “Case Comment Form” and complete the form using the case number as it appears on the front of this document. Comments filed by e-mail must also be e-mailed to Avista at the e-mail addresses listed below. If e-mail is unavailable, then comments may be mailed to the Commission and Avista at these addresses:

**For the Idaho Public Utilities  
Commission:**

Commission Secretary  
Idaho Public Utilities Commission  
P.O. Box 83720  
Boise, ID 83720-0074

**For Avista:**

Patrick D. Ehrbar  
David J. Meyer  
Avista Utilities  
1411 E. Mission Avenue  
Spokane, WA 99220-3727  
E-Mail: [pat.ehrbar@avistacorp.com](mailto:pat.ehrbar@avistacorp.com)  
[david.meyer@avistacorp.com](mailto:david.meyer@avistacorp.com)

YOU ARE FURTHER NOTIFIED that Avista must file any reply comments **by October 13, 2020.**

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 Avista’s Application be processed by Modified Procedure, Rule 201-204 (IDAPA 31.01.01.201-.204). Persons interested in submitting written comments must do so by October 6, 2020. Avista must file any reply comments by October 13, 2020.

IT IS FURTHER ORDERED that persons desiring to intervene in this case for the purpose of obtaining parties' rights of participation must file a Petition to Intervene with the Commission, pursuant to Rules 72 and 73, IDAPA 31.01.01.72-73, by August 7, 2020.

IT IS FURTHER ORDERED that parties continue to comply with Order No. 34602, issued March 17, 2020. All pleadings should be filed with the Commission electronically and shall be deemed timely filed when received by the Commission Secretary. *See* Rule 14.02. Service between parties should also be accomplished electronically. Voluminous discovery-related documents may be filed and served on CD-ROM or a USB flash drive.

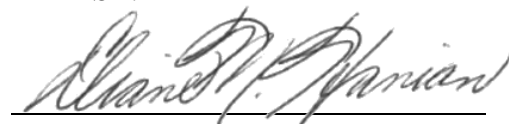
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 20<sup>th</sup> day of July 2020.

  
\_\_\_\_\_  
PAUL KJELLANDER, PRESIDENT

  
\_\_\_\_\_  
KRISTINE RAPER, COMMISSIONER

  
\_\_\_\_\_  
ERIC ANDERSON, COMMISSIONER

ATTEST:

  
\_\_\_\_\_  
Diane M. Hanian  
Commission Secretary

I:\Legal\GAS\AVU-G-20-04\Orders\AVUG2004\_ntc app\_mh.docx