

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	CASE NOS. AVU-E-21-01
OF AVISTA CORPORATION DBA AVISTA)	AVU-G-21-01
UTILITIES FOR AUTHORITY TO)	
INCREASE ITS RATES AND CHARGES FOR)	NOTICE OF APPLICATION
ELECTRIC SERVICE TO ELECTRIC)	
CUSTOMERS IN THE STATE OF IDAHO)	NOTICE OF
)	INTERVENTION DEADLINE
)	
)	ORDER NO. 34930
)	

On January 29, 2021, Avista Corporation dba Avista Utilities (“Avista” or the “Company”) filed an Application seeking authority to increase the Company’s rates for electric and natural gas service in Idaho, proposed to be effective on September 1, 2021.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED Avista is a public utility primarily engaged in the generation, transmission and distribution of electric power and the distribution of natural gas in portions of eastern and central Washington and northern Idaho, and the distribution of natural gas in northeast and southwest Oregon.

YOU ARE FURTHER NOTIFIED that the Commission approved Avista’s existing electric base rates and charges for electric service on November 29, 2019, and the Company’s existing base rates and charges for natural gas service on December 28, 2017. *See* Order No. 34499, Case No. AVU-E-19-04 (electric) and Order No. 33953, Case No. AVU-G-17-01 (natural gas). In its Application, Avista claims its existing rates are not fair, just, and reasonable, and the Company will not have the opportunity to earn a fair rate of return on its investment. *Application* at 5.

YOU ARE FURTHER NOTIFIED that in the first year of Avista’s rate proposal (“Rate Year 1”), the Company proposes to increase its annual *electric* billed revenues by \$24.8 million (10.1%) and its annual *natural gas* billed revenues by \$0.1 million (0.1%), effective September 1, 2021. *Id.* at 1. Avista represents these increases, if approved by the Commission, would be offset by the Tax Customer Credit Tariff Schedules 76 (electric) and 176 (natural gas).

NOTICE OF APPLICATION
 NOTICE OF INTERVENTION DEADLINE
 ORDER NO. 34930

YOU ARE FURTHER NOTIFIED that the Company's proposed amortization of the potential electric tax benefits of \$31.3 million from Schedule 76 (electric), would begin September 1, 2021, and would entirely offset the Company's base electric rate relief requested for Rate Year 1 (\$24.8 million) until approximately November 30, 2022. *Id.* at 1-2. For natural gas customers, the Company proposes to begin amortizing the natural gas tax benefits of \$12.1 million from Schedule 176 (natural gas) beginning September 1, 2021 over a 10-year period, approximately \$1.2 million annually. *Id.* at 2. This would offset the proposed increase in rates for natural gas service in Rate Year 1 (\$0.1 million) and result in an overall reduction for natural gas customers of approximately 1.8% on a billed basis. *Id.*

YOU ARE FURTHER NOTIFIED in the second year ("Rate Year 2") of the Company's proposal, Avista proposes to increase its annual *electric* billed revenues by \$8.7 million (3.2%) and its *natural gas* billed revenues by \$1.0 million (2.2%). *Id.* Avista states the increase in *natural gas* billed revenues in Rate Year 2 would be offset by the Deferred Depreciation Credit Tariff Schedule 177 (natural gas) which would be an offset of approximately \$0.9 million for one-year effective September 1, 2022 through August 31, 2023, reducing the proposed \$1.0 million increase. Avista asserts that natural gas service customers would see an overall bill impact of 0.1%, effective September 1, 2022. *Id.*

YOU ARE FURTHER NOTIFIED Avista's Application asserts the need for a revenue increase is primarily due to increases in net plant investment, electric net power supply expenses and increases in distribution, operation and maintenance, and administrative and general expenses for both electric and natural gas operations. *Id.* at 4.

YOU ARE FURTHER NOTIFIED Avista's Application requests an overall rate of return of 7.30%, which includes a 9.9% return on equity. *Id.* at 7.

YOU ARE FURTHER NOTIFIED Avista's Application asserts that for electric service in Rate Year 1 beginning on September 1, 2021, a residential electric customer using an average of 892 kilowatt hours ("kWhs") per month would see their monthly bills remain unchanged at \$85.63. *See Customer Notice and Press Release* attached as **Exhibit B** to the Application. In Rate Year 2 beginning on September 1, 2022, residential customers using an average of 892 kWhs per month would see their monthly bills increase from \$85.63 to \$89.01, an increase of \$3.38 or 3.9% per month. *Id.* Included in that bill change for Rate Year 2 is a proposed increase in the basic

monthly charge of \$2.00, to a level of \$8.00 per month. *Id.* Avista's proposed electric rate increase for Rate Year 1 & 2 would impact customers' electric bills by rate schedule as follows:

Proposed Electric Rate Changes

Rate Schedule	Proposed 2021 Billing Change	Proposed 2022 Billing Change
Residential Service Schedule 1	0.0%	3.9%
General Service Schedules 11 & 12	0.0%	3.4%
Large General Service Schedules 21 & 22	0.0%	3.4%
Extra Large General Service Schedule 25	0.0%	3.4%
Extra Large General Service Schedule 25P	0.0%	1.3%
Pumping Service Schedules 31 & 32	0.0%	3.4%
Street & Area Lighting Schedules 41-49	0.0%	3.4%
Total	0.0%	3.5%

YOU ARE FURTHER NOTIFIED that for natural gas service, in Rate Year 1 residential customers using an average of 63 therms per month would see their monthly bills decrease by \$0.95, from \$49.49 to \$48.54 beginning on September 1, 2021, or -1.9%. *Id.* In Rate Year 2, residential customers using an average of 63 therms per month would see their monthly bills increase from \$48.54 to \$48.59, an increase of \$0.05 or 0.1% per month beginning on September 1, 2022. *Id.* Included in that bill change for Rate Year 2 is a proposed increase in the basic monthly charge of \$2.00, to a level of \$8.00 per month, offset by a decrease in the volumetric, per therm rate. *Id.* The proposed change above current billing rates by service schedule is as follows:

Proposed Natural Gas Rate Changes

Rate Schedule	Proposed 2021 Billing Change	Proposed 2022 Billing Change
General Service - Schedule 101	-1.9%	0.1%
Large General Service - Schedules 111 & 112	-1.5%	0.1%
Transportation Service – Schedule 146 (<i>excludes commodity and interstate pipeline transportation costs</i>)	-2.7%	0.2%
Total	-1.8%	0.1%

YOU ARE FURTHER NOTIFIED that the Commission has designated this case as a general rate case. As such, Avista's intrastate revenue requirement, and every component of it, both rate base and expenses, are at issue. The Commission may grant, deny, or modify the revenue requirement requested and may find a revenue requirement different from that proposed by any party is just, fair, and reasonable. IDAPA 31.01.01.124.01.

YOU ARE FURTHER NOTIFIED that the rates and charges of all Avista retail customers, both recurring and non-recurring, including those of special contract customers, are at issue, and every component of every existing and proposed rate and charge is at issue. The Commission may approve, reject, or modify the rates and charges proposed and may find that rates and charges different from those proposed by any party are just, fair, and reasonable. IDAPA 31.01.01.124.02.

YOU ARE FURTHER NOTIFIED that the Commission may approve, reject, or modify existing or proposed relationships between and among rates and charges within, between or among customer classes or rate groupings and may approve, reject or modify existing or proposed relationships among and between customer classes or rate groupings. IDAPA 31.01.01.124.02.a.

YOU ARE FURTHER NOTIFIED that the Commission may abolish, reduce, or create rate blocks or categories of rates and charges, abolish, create, or reduce components of rates and charges, abolish, reduce, or create customer classes or rate groupings, and abolish, reduce, or create absolute or relative differences among and between existing classes or rate groupings of customers. IDAPA 31.01.01.124.02.b.

YOU ARE FURTHER NOTIFIED that the tariffs, practices, rules and regulations, service, instrumentalities, equipment, facilities, classifications, and customer relations of the utility are at issue, and the Commission may address any of them in its order. IDAPA 31.01.01.124.02.c.

YOU ARE FURTHER NOTIFIED that the Application and supporting workpapers, testimonies and exhibits have been filed with the Commission and are available for public inspection during regular business hours at the Commission office. The Application and testimonies are also available on the Commission's website at www.puc.idaho.gov. Click on the "ELECTRIC" icon, select "Open Cases," and click on the case number as shown on the front of this document.

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest requires the scheduling of one or more public workshops in this case. The public workshops, to be scheduled, will offer the public an opportunity to meet with the Commission Staff, ask questions and receive information about the Company's Application.

NOTICE OF INTERVENTION DEADLINE

YOU ARE FURTHER NOTIFIED that **persons desiring to intervene** in this matter for the purpose of presenting evidence or cross-examining witnesses at hearing **must file a Petition to Intervene** with the Commission pursuant to this Commission's Rules of Procedure 72 and 73, IDAPA 31.01.01.072 and -.073. Persons intending to participate at the hearing must file a Petition to Intervene **no later than twenty-one (21) days from the service date of this Order**. Persons desiring to present their views without parties' rights of participation and cross-examination are not required to intervene and may present their comments without prior notification to the Commission or the parties.

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.

YOU ARE FURTHER NOTIFIED that once the Notice of Parties is issued, the Commission Staff will informally confer with the parties to discuss a schedule to process this case and other issues raised by the parties.

YOU ARE FURTHER NOTIFIED that the following persons are designated as Avista's representatives in this matter:

David J. Meyer, Esq. Vice President & Chief Counsel, Reg. & Gov't Affairs Avista Corporation P.O. Box 3727 1411 E. Mission Avenue Spokane, WA 99220-3727 Phone: (509) 495-4316 Fax: (509) 495-8851 E-mail: David.Meyer@avistacorp.com	Patrick D. Ehrbar Director of Regulatory Affairs Avista Utilities P.O. Box 3727 1411 East Mission Avenue Spokane, WA 99220-3727 Phone: (509) 495-8620 Fax: (509) 495-8851 E-mail: pat.ehrbar@avistacorp.com Electronically: AvistaDockets@avistacorp.com
--	---

YOU ARE FURTHER NOTIFIED that all hearings and prehearing conferences in this matter will be held in facilities meeting the accessibility requirements of the Americans with Disabilities Act (ADA). Persons needing the help of a sign language interpreter or other assistance in order to participate in or to understand testimony and argument at a public hearing may ask the Commission to provide a sign language interpreter or other assistance at the hearing. The request for assistance must be received at least five (5) working days before the hearing by contacting the Commission Secretary at:

IDAHO PUBLIC UTILITIES COMMISSION
P.O. BOX 83720
BOISE, IDAHO 83720-0074
(208) 334-0338 (Telephone)
(208) 334-3762 (FAX)
E-mail: secretary@puc.idaho.gov

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, 61-502, 61-507, 61-520, 61-523, and 61-622. 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.*

ORDER


IT IS HEREBY ORDERED that persons desiring to intervene in this matter for the purpose of presenting evidence or cross-examination at hearing shall file a Petition to Intervene with the Commission no later than twenty-one (21) days from the service date of this Order.

IT IS FURTHER ORDERED after the intervention deadline runs, Staff will convene an informal prehearing conference at the Commission's office for the parties to discuss a schedule to process this case and other issues as may be raised by the parties.

IT IS FURTHER ORDERED that Commission Staff shall conduct one or more public workshops pursuant to Rule 127 of the Commission's Rules of Procedure, IDAPA 31.01.01.127. The number, date, and time of the workshops will be set by subsequent Order or Notice.

///

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 23rd day of February 2021.



PAUL KJELLANDER, PRESIDENT

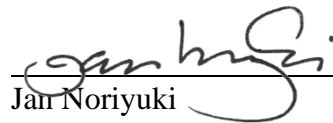


KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

I:\Legal\ELECTRIC\AVUE2101_AVUG2101\orders\AVUE2101_AVUG2101_NicApp_Int_jrh.docx