

DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER
COMMISSIONER RAPER
COMMISSIONER ANDERSON
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL**

**FROM: JOHN R. HAMMOND JR.
DEPUTY ATTORNEY GENERAL**

DATE: JULY 15, 2021

SUBJECT: AVISTA'S ANNUAL PGA FILING, CASE NO. AVU-G-21-04

On July 2, 2021, Avista Corporation dba Avista Utilities (“Company”) filed its annual Purchased Gas Cost Adjustment (“PGA”) Application asking to *increase* its annualized revenues by about \$9.0 million or approximately 13.5%. *Application* at 1.¹ The Company states that the PGA Application is filed concurrently with the Company’s Deferred Balances Credit filing where the Company is asking to *decrease* natural gas revenues which could offset some of the proposed PGA rate increase if approved. *See* Case No. AVU-G-21-03. The Company says its proposal will not affect its earnings. *See Cover Letter to the Application*. The Company represents that if the PGA is approved by the Commission, residential natural gas customers in Idaho using an average of 63 therms per month would see their monthly bills increase from \$49.49 to \$55.49, an increase of \$6.00 per month, or approximately 12.1%. *Application* at 5. Some of this amount could be offset by the Company’s request to decrease natural gas revenues in the Deferred Balances Credit filing. *See* Case No. AVU-G-21-03. The Company states that it is providing notice of the PGA Application to its customers in compliance with Commission authorities. *Id.* at 2. The Company asks that the Application be processed by Modified Procedure, and that the new rates take effect on September 1, 2021. *Id.* at 5.


¹ The PGA mechanism is used to adjust rates to reflect annual changes in the Company’s costs for the purchase of natural gas from suppliers – including transportation, storage, and other related costs.

STAFF RECOMMENDATION

Staff recommends that the case be processed through Modified Procedure, with a comment deadline of 21 days from the date of issuance of the Commission's Notice of Application and Notice of Modified Procedure for Staff and interested persons and parties and a 7 day reply comment period thereafter for the Company.

COMMISSION DECISION

Does the Commission wish to issue a Notice of Application and Notice of Modified Procedure with a comment deadline of 21 days from the date of issuance of the Commission's Notice of Application and Notice of Modified Procedure for Staff and interested persons and parties and a 7 day reply comment period thereafter for the Company?



John R. Hammond Jr.
Deputy Attorney General

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