

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF AVISTA UTILITIES) CASE NO. AVU-G-22-06
APPLICATION FOR AN ORDER)
APPROVING A CHANGE IN RATES FOR) NOTICE OF APPLICATION
PURCHASED GAS COSTS AND)
AMORTIZATION OF GAS-RELATED) NOTICE OF
DEFERRAL BALANCES) MODIFIED PROCEDURE
)
)
) **ORDER NO. 35541**
)

On September 2, 2022, Avista Corporation dba Avista Utilities (“Company”) 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 the Company’s costs to buy natural gas from suppliers—including changes in transportation, storage, and other related costs. The Company defers these costs into its PGA account and then passes them on to customers through an increase or decrease in rates.

The Company states its proposal will increase annual revenues by about \$11.2 million (12.7%) The Company states that the average residential or small commercial customer using an average of 64 therms per month will see an increase of \$7.27 per month or 11.9%. The Company provided a copy of the press release it will send to affected customers. The Company asks that its Application be processed by Modified Procedure and that the new rates take effect November 1, 2022.

NOTICE OF APPLICATION

A. Overview of Proposed Rates

YOU ARE HEREBY NOTIFIED that in this PGA Application, the Company 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). The Company proposes to change its PGA rates in this case for its customer classes as follows:

Service	Sch No.	Commodity Change per therm	Demand Change per therm	Total Sch. 150 Change	Amortization Change per therm	Total PGA Rate Change per therm
General	101	\$ (0.00111)	\$ (0.00005)	\$ (0.00116)	\$ 0.11658	\$ 0.11542
Lg. General	111	\$ (0.00111)	\$ (0.00005)	\$ (0.00116)	\$ 0.11658	\$ 0.11542
Lg. General	112	\$ (0.00111)	\$ (0.00005)	\$ (0.00116)	\$ -	\$ (0.00116)
Interruptible	131	\$ (0.00111)	\$ -	\$ (0.00111)	\$ -	\$ (0.00111)
Transportation	146	\$ -	\$ -	\$ -	\$ -	\$ -

Application at 3. The Company’s proposed changes to Schedules 150 and 155 and the Company’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 the Company’s “commodity costs” are the variable costs at which the Company must buy natural gas. The weighted average cost of gas is an estimate of those costs. Here, the Company estimates its commodity costs will *decrease* by \$0.00111 per therm, from the currently approved \$0.35181 per therm. *Id.* at 3. To minimize exposure to potential rising gas costs, the Company states it diversifies how it procures natural gas. The Company alleges that its procurement strategy includes hedging and estimating the cost of index purchases. *Id.*

YOU ARE FURTHER NOTIFIED that the Company’s demand costs primarily are costs to transport gas on interstate pipelines to the Company’s local distribution system and fixed costs associated with storage. *Id.* The Company proposes a \$0.00005 per therm *decrease* in the overall demand rate for customers on Schedules 101, 111, and 112. *Id.* This decrease is caused by factors including the Canadian exchange rate, an updated demand forecast, and new rates for the Company’s Canadian pipelines, effective June 1, 2022. *Id.*

C. Schedule 155

YOU ARE FURTHER NOTIFIED that Tariff Schedule 155 reflects the amortization of the Company’s deferral account. The Company’s proposed amortization rate change for Schedule 101 and Schedule 111 is an increase in revenue of \$0.11542 per therm. The current rate applicable to Schedule 101 and Schedule 111 is \$0.01505 per therm in the surcharge direction; the proposed rate is \$0.13163 per therm in the surcharge direction taking into account the proposed amortization rate change.

YOU ARE FURTHER NOTIFIED that if the Company's Application is approved as filed, the Company's annual revenue will increase by approximately \$11.2 million (12.7%).

YOU ARE FURTHER NOTIFIED that the Company asserts it has or will notify customers of its proposed tariffs by sending notice to each customer as a bill insert during in September.

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 website at 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 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 they support or oppose the Application. Persons who would like a hearing must specifically request a hearing in their written comments. **Persons shall have until October 6, 2022, to file written comments.** Persons desiring a hearing must specifically request a hearing in their written comments. Comments must be filed through the Commission website or by email unless computer access is unavailable. To comment electronically, please access the Commission's home page at www.puc.idaho.gov. Click the "Consumer" tab on the Commission's webpage and then "Case Comment Form" and complete the form using the case number as it appears on the front of this document. To file by e-mail, the customer must e-mail the comments to the Commission Secretary and the Company at the e-mail

addresses listed below. If computer access is unavailable, then comments may be mailed to the Commission and Company at these addresses:

**For the Idaho Public Utilities
Commission:**

Commission Secretary
Idaho Public Utilities Commission
P.O. Box 83720
Boise, ID 83720-0074
secretary@puc.idaho.gov

Street Address for Express Mail:

11331 W. Chinden Blvd.
Building 8, Suite 201-A
Boise, Idaho 83714

For Avista:

Patrick D. Ehrbar
David J. Meyer
Avista Utilities
1411 E. Mission Avenue
Spokane, WA 99220-3727
pat.ehrbar@avistacorp.com
david.meyer@avistacorp.com

YOU ARE FURTHER NOTIFIED that the Company must file any reply comments **by October 13, 2022.**

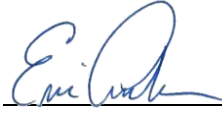
YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

ORDER

IT IS HEREBY ORDERED that the Company'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, 2022. The Company must file any reply comments by October 13, 2022.

IT IS FURTHER ORDERED that parties comply with Order No. 35375, issued April 21, 2022. Generally, all pleadings should be filed with the Commission electronically and will be deemed timely filed when received by the Commission Secretary. See Rule 14.02. Service between parties should continue to be accomplished electronically when possible. However, 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 27th day of September 2022.



ERIC ANDERSON, PRESIDENT

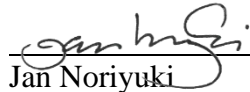


JOHN CHATBURN, COMMISSIONER



JOHN R. HAMMOND JR., COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

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