

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION ) CASE NO. AVU-G-22-07**  
**OF AVISTA CORPORATION FOR )**  
**APPROVAL TO INCREASE ITS ENERGY ) ORDER NO. 35575**  
**EFFICIENCY TARIFF RIDER )**  
**ADJUSTMENT SCHEDULE 191 )**  
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On September 2, 2022, Avista Corporation, dba Avista Utilities (“Company” or “Avista”) applied to the Idaho Public Utilities Commission (“Commission”) for authorization to increase its natural gas tariff, I.P.U.C. No. 27, Schedule 191, “Energy Efficiency Rider Adjustment” rates. Schedule 191 funds the Natural Gas Efficiency Program (“Program”) as described in the Company’s Schedule 190, including, but not limited to: behavioral programs; low-income weatherization; Northwest Energy Efficiency Alliance (“NEEA”) participation; and provision of incentives for various energy efficiency measures such as appliances, compressed air, HVAC, industrial, lighting, maintenance, motors, shell, and sustainable buildings.

The Company represented that as of July 31, 2022, the current Schedule 191 tariff rider balance was approximately \$2.1 million underfunded, and while the current rate was designed to fund the Program by approximately \$1.4 million annually, the actual expenses incurred during 2020 and 2021 increased by approximately 53% as compared to the 2019 Program year. The Company proposed to increase billed natural gas rates by 3.0% through proposed revisions in Schedule 191, with a requested effective date of November 1, 2022.

The Company stated that it was filing another application simultaneously with this Application related to purchased gas costs that would increase natural gas revenues by approximately \$11.2 million or 12.7% effective November 1, 2022, and that if both applications were approved, the net change to natural gas revenue would be an increase of \$13.8 million or 15.7% effective November 1, 2022.

The Company represented that this Application would be brought to the attention of the Company’s customers by way of a Customer Notice, which would be included in customer’s bills beginning in early September 2022 and run for a full billing cycle, and by posting the Application to the Company’s website at [myavista.com](http://myavista.com).

## STAFF COMMENTS

Staff reviewed the Company’s Application and workpapers. Staff supported the Company’s request to increase the Schedule 191 - Energy Efficiency Rider Adjustment, which would increase the Company’s natural gas revenues in Idaho by 3.0%. Staff believed the Company properly applied the new rate adjustment to customer classes as shown in Table No. 1 below:

**Table No. 1: Schedule 191 Rates**

SCHEDULE	EXISTING RATE	PROPOSED RATE
General Service – Sch. 101	\$0.01818 per Therm	\$0.04903 per Therm
Large General Service – Sch. 111 & 112	\$0.00978 per Therm	\$0.02626 per Therm
Interruptible Sales Service – Sch. 131 & 132	\$0.00978 per Therm	\$0.02626 per Therm

Staff reviewed Avista’s forecasted natural gas energy efficiency expenses and agreed with the Company that Schedule 191 was projected to be balanced by October 2025. Based on its review, Staff expected that Avista’s demand-side management (“DSM”) program costs would continue to be prudently incurred and that the programs would remain cost-effective. However, Staff did not analyze the Company’s DSM prudence or its actual cost-effectiveness calculations for any of its programs. Staff noted that such validation and additional review were not requested in this case and would occur in Case No. AVU-G-22-05, currently pending before the Commission.

Staff noted that the Company filed two other applications with rate adjustments and requested effective dates of November 1, 2022. The Company’s natural gas Purchased Gas Cost Adjustment (“PGA”), Case No. AVU-G-22-06, was filed simultaneously with this Application and requested an increase in natural gas revenues of approximately \$11.2 million, or 12.7%. The Company’s Fixed Cost Adjustment (“FCA”), Case No. AVU-G-22-04, was filed on July 29, 2022, and requested a decrease in the Company’s overall natural gas revenues by \$0.1 million, or 0.2%. Table No. 2 below shows the effect of all three cases if approved as filed.

**Table No. 2: Impact of the Three Natural Gas Filings:**

CASE	\$ REVENUE CHANGE	% REVENUE CHANGE
EE Tariff	\$ 2.6 Million	3.0%
PGA	\$ 11.2 Million	12.7%
FCA	\$ (0.1 Million)	(0.2%)
<b>TOTAL</b>	<b>\$ 13.7 Million</b>	<b>15.5%</b>

Staff reviewed the Company's press release and customer notice. Staff believed that both met the requirements of Rule 125 of the Commission's Rules of Procedure. IDAPA 31.01.01.125. However, Staff believed it was possible that some customers may not have received their notices or had adequate time to submit comments before the comment deadline. Staff recommended that the Commission consider late filed comments by customers. Staff noted that as of October 5, 2022, no customer comments had been filed.

Staff recommended that the Commission approve the Company's Application to increase the Schedule 191 Customer Efficiency Services Rate and approve the proposed Schedule 191 tariff as filed. Additionally, Staff recommended the Commission consider late filed comments from customers.

### **COMMISSION DISCUSSION AND FINDINGS**

The Commission has jurisdiction over the Company and this matter pursuant to *Idaho Code* §§ 61-336, 61-502, 61-503, and 61-622. The Commission has the express statutory authority to investigate rates, charges, rules, regulations, practices, and contracts of public utilities and to determine whether they are just, reasonable, preferential, discriminatory, or in violation of any provision of law, and may fix the same by order. *Idaho Code* §§ 61-502, 61-503.

The Commission has reviewed the record, and all submitted materials. Based upon its review, the Commission finds the Company's proposed increase to billed natural gas rates of 3.0% through revisions in Schedule 191 is fair, just, and reasonable. The Commission makes no finding as to the prudence of any specific program funded under Schedule 191.

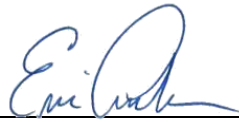
### **ORDER**

IT IS HEREBY ORDERED that the Company's Application to increase the Schedule 191 Customer Efficiency Services Rate, with a November 1, 2022, effective date is approved.

IT IS FURTHER ORDERED that the Company's proposed Schedule 191 tariff is approved as filed.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date upon this Order regarding any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code* §§ 61-626, 62-619.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 1<sup>st</sup> day of November 2022.



ERIC ANDERSON, PRESIDENT

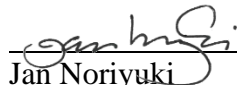


JOHN CHATBURN, COMMISSIONER



JOHN R. HAMMOND JR., COMMISSIONER

ATTEST:



Jan Noriyuki  
Commission Secretary

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