

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF AVISTA)	CASE NO. AVU-G-25-05
CORPORATION'S FIXED COST)	
ADJUSTMENT MECHANISM (FCA))	NOTICE OF APPLICATION
ANNUAL RATE ADJUSTMENT FILING)	
)	NOTICE OF MODIFIED
)	PROCEDURE
)	
)	ORDER NO. 36729

On July 31, 2025, Avista Corporation (“Company”) applied to the Idaho Public Utilities Commission (“Commission”) for authorization of an adjustment to its Fixed Cost Adjustment (“FCA”) rates for natural gas service from November 1, 2025, through October 31, 2026. If the new FCA rates are approved as filed, an average residential customer using 66 therms per month could expect their monthly bill to increase \$0.15, or 0.2%. The Company requested a November 1, 2025, effective date.

BACKGROUND

The FCA is a rate adjustment mechanism designed to break the link between the energy a utility sells and the revenue it collects to recover fixed costs¹ of providing service, thus decoupling the utility’s revenues from its customers’ energy usage. This decoupling removes a utility’s incentive to increase sales to increase revenue and profits and encourages energy conservation. The Commission originally approved a three-year pilot program of the Company’s FCA as part of the approved settlement of the Company’s 2015 rate case. Order No. 33437 at 10. The parties to the Company’s rate case agreed to review the program’s effectiveness at the end of its second full year, to ensure the program was functioning as intended. On June 15, 2018, the Commission approved an addendum to the settlement that extended the term of the Company’s FCA pilot for an additional year. Order No. 34085. On December 13, 2019, the Commission authorized the Company to extend its FCA mechanism for both gas and electric customers through March 31, 2025. Order No. 34502.

¹ “Fixed costs” are a utility’s costs to provide service, such as infrastructure and customer service, which do not vary with energy use, output, or production, and remain relatively stable between rate cases.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that the Company's FCA for the Residential Group ("Schedule 101") is proposed to increase from a present surcharge rate of 1.506¢ per therm to an updated surcharge rate of 1.737¢ per therm, representing a \$0.2 million, or 0.2%, increase to Schedule 101 customers. Application at 1-2. The Company's FCA for the Non-Residential Group ("Schedules 111 and 112") is proposed to decrease from a present surcharge rate of 1.006¢ per therm to an updated surcharge 0.677¢ per therm, representing a \$0.1 million, or 0.6%, decrease for Schedule 111 and 112 customers. *Id.*

YOU ARE FURTHER NOTIFIED that the Company recorded \$1,195,606 of deferred revenue in the surcharge direction for its Schedule 101 natural gas customers for the 12-month period ending on June 30, 2025. *Id.* at 6. The Company stated that the proposed surcharge rate of 1.737¢ per therm is designed to recover \$1,319,245 from the Company's Schedule 101 customers. *Id.*

YOU ARE FURTHER NOTIFIED that the Company recorded \$176,144 of deferred revenue in the surcharge direction for its Schedule 111 and 112 natural gas customers for the 12-month period ending on June 30, 2025. *Id.* at 7. The Company stated that the proposed surcharge rate of 0.677¢ per therm is designed to recover \$191,431 from the Company's Schedule 111 and 112 commercial and industrial customers. *Id.*

YOU ARE FURTHER NOTIFIED that the Company submitted its Residential and Non-Residential rate calculations, support for its deferrals, and its proposed FCA tariff Schedule 175 with its Application and supplemental materials.

YOU ARE FURTHER NOTIFIED that the Application is 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 "GAS" icon, select "Open Cases," 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, and 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 that it will proceed under Modified Procedure pursuant to the Commission's Rules of Procedure 201-204, IDAPA 31.01.01.201-.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 and explain why written comments alone are insufficient. **Persons interested in filing written comments, must do so by October 8, 2025.** Comments must be filed through the Commission's website or by e-mail unless computer access is unavailable. To comment electronically, please access the Commission's website at <http://www.puc.idaho.gov/>. Click the "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, persons must e-mail the comments to the Commission Secretary and all parties at the e-mail addresses listed below. Persons submitting a comment by e-mail must provide their name, address, and the Case Number under which they are commenting. Persons submitting a comment by e-mail also acknowledge that submitting a comment in an open case constitutes a public record under *Idaho Code* § 74-101(13), and all information provided by such person is available for public and media inspection.

If computer access is unavailable, then comments may be mailed to the Commission and the Parties at the addresses below. Persons submitting a comment by mail must provide their name, address, and the Case Number under which they are commenting. Persons submitting a comment by mail also acknowledge that submitting a comment in an open case constitutes a public record under *Idaho Code* § 74-101(13), and all information provided by such person is available for public and media inspection.

**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, ID 83714

For the Company:

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

YOU ARE FURTHER NOTIFIED that the Company must file any reply comments by **October 15, 2025**.

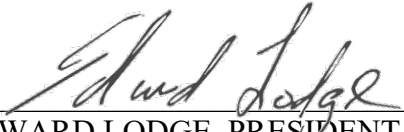
YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its final order without a formal hearing. If written comments are received within the time limit set, the Commission will consider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

ORDER

IT IS HEREBY ORDERED that this Application be processed under Modified Procedure. Persons interested in submitting written comments must do so by **October 8, 2025**. The Company must file any reply comments by **October 15, 2025**.

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 20th day of August, 2025.


EDWARD LODGE, PRESIDENT


JOHN R. HAMMOND JR., COMMISSIONER


DAYN HARDIE, COMMISSIONER

ATTEST:


Monica Barrios-Sanchez
Commission Secretary

I:\Legal\GAS\AVUG2505_FCA\orders\ntc_app_mod_em.docx