

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF AVISTA	)	CASE NO. AVU-G-26-02
CORPORATION'S GAS FIXED COST	)	
ADJUSTMENT MECHANISM (FCA)	)	NOTICE OF APPLICATION
ANNUAL RATE ADJUSTMENT FILING	)	
	)	NOTICE OF MODIFIED
	)	PROCEDURE
	)	
	)	ORDER NO. 37139

On July 31, 2026, Avista Corporation, doing business as Avista Utilities (“Company”), applied to the Idaho Public Utilities Commission (“Commission”) requesting approval to recover the Company’s natural gas fixed cost adjustment mechanism (“FCA”) deferrals for the period of July 1, 2025, to June 30, 2026 (“Application”). Application at 10. Specifically, the Company requested approval of a “per therm FCA surcharge rate of 4.369¢” for its natural gas Residential Group (“Residential Group Surcharge”) and “a per therm FCA surcharge rate of 1.981¢” for its natural gas Non-Residential Group (“Non-Residential Group Surcharge”). *Id.* The Company requested the natural gas surcharge rates be effective from November 1, 2026, through October 31, 2027. *Id.* at 1.

The Commission now issues this Notice of Application and Notice of Modified Procedure establishing written comment deadlines.

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. On June 15, 2018, the Commission approved an addendum to the settlement that extended the terms of the Company’s FCA pilot for an additional year. Order No. 34085. In 2019, the Commission

¹ “Fixed costs” are a utility’s cost 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.

authorized the Company to extend its FCA mechanism for both gas and electric customers through March 31, 2025. Order No. 34502.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that the Company represented that the Residential Group Surcharge would be an increase of \$2.0 million, or 3.0%, to its Schedule 101 customers and the Non-Residential Group Surcharge would be an increase of \$0.4 million, or 2.2%, to its Schedule 111 and Schedule 112 customers. Application at 1–2. The Company explained that the monthly bill for residential natural gas customers who use approximately 66 therms per month would increase from \$59.28 to \$61.02, or \$1.74 per month. *Id.* at 9.

YOU ARE FURTHER NOTIFIED that the Company recorded \$4,418,468 of deferred revenue in the surcharge direction for its natural gas residential customers for the 12-month period ending on June 30, 2026. *Id.* at 6. The Company stated that due to the 3% Annual Rate Increase Test, the proposed Residential Group Surcharge was designed to recover \$3,307,860 from the Company’s Schedule 101 customers. *Id.*

YOU ARE FURTHER NOTIFIED that the Company recorded \$509,535 of deferred revenue for its non-residential natural gas customers for the 12-month period ending on June 30, 2026. *Id.* at 7. The Company stated that the proposed Non-Residential Group Surcharge was designed to recover \$541,504 from the Company’s Schedules 111 and 112 customers. *Id.*

YOU ARE FURTHER NOTIFIED that the Company attributed the FCA deferral for residential and non-residential natural gas customers to a warmer winter and increased energy efficiency savings. *Id.* at 5–6.

YOU ARE FURTHER NOTIFIED that the Company submitted with the Application its rate calculations for the Residential Group Surcharge and the Non-Residential Group Surcharge, evidence in support of the deferrals, and its proposed FCA tariff Schedule 175. *Id.* at 9.

YOU ARE FURTHER NOTIFIED that the Application and accompanying exhibits are available for public inspection during regular business hours at the Commission’s office. The Application and accompanying exhibits are 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 13, 2026.** 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 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:**

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For the Company:

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YOU ARE FURTHER NOTIFIED that the Company must file any reply comments by **October 20, 2026**.

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.

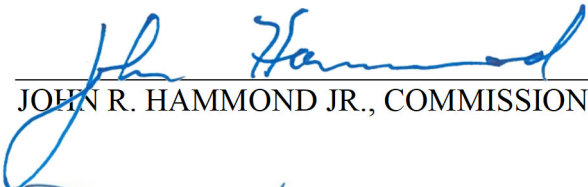
ORDER

IT IS HEREBY ORDERED that this Application be processed under Modified Procedure. Persons interested in submitting written comments must do so by October 13, 2026. The Company must file any reply comments by October 20, 2026.

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 18th day of August 2026.


EDWARD LODGE, PRESIDENT


JOHN R. HAMMOND JR., COMMISSIONER


DAYN HARDIE, COMMISSIONER

ATTEST:


Monica Barrios-Sanchez
Commission Secretary
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