



*Case No. AVU-G-18-03  
Final Order No. 34170  
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## **Avista natural gas rates to decrease Nov. 1**

**BOISE (Oct. 22, 2018)** – State regulators have approved a rate adjustment that will lower natural gas rates for Avista customers.

The change to the Fixed Cost Adjustment (FCA) will decrease residential rates by 4.2 percent when it takes effect Nov. 1.

That equates to a monthly savings of \$2.03 for the typical residential natural gas customer who uses an average of 63 therms per month, lowering that customer's bill from \$48.31 to \$46.28.

The FCA is designed to break the link between a utility's revenues and energy use among its customers, in order to remove the utility's disincentive to promote energy efficiency and conservation.

The FCA is adjusted annually with approval of the Idaho Public Utilities Commission, via a surcharge if the utility under-collects fixed costs because of reduced energy use, or a rebate when it over-collects its fixed costs.

The FCA that takes effect Nov. 1 and runs through October 2019 is a rebate of 0.766 cents per therm for residential customers, for a total of \$465,043, and 1.067 cents per therm for non-residential customers, for a total of \$274,617.

In its application, Avista its sales revenue exceeded costs in 2017 due primarily to increased energy use during a colder-than-normal winter.

The Commission [approved the FCA](#) as a pilot program in 2015.

In authorizing the pilot, the Commission said the FCA would be subject to review at the end of its second year, unless Avista chose to extend the program for an additional year.

Earlier this year, the utility sought, and the Commission authorized, a one-year extension to the pilot.

In its order authorizing the FCA rebate that takes effect Nov. 1, the Commission encouraged interested parties to contribute to the forthcoming FCA review, to ensure the program is functioning as intended.

The Commission's [order](#) and all other documents related to this case can be found [here](#).

Or go to the Commission's web site, [www.puc.idaho.gov](http://www.puc.idaho.gov), click on Open Cases under the Gas heading and scroll down to case number AVU-G-18-03.