



Idaho Public Utilities Commission

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Case No. AVU-E-24-03
Order No. 36189
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NEWS RELEASE: Commission rejects application from electric utility and lumber company to amend power purchase agreement.

BOISE (May 21, 2024) – The Idaho Public Utilities Commission has declined an application from an electric utility and lumber company that would amend a power purchase agreement they entered into.

Avista Utilities and Stimson Lumber asked for commission approval to amend a power purchase agreement to account for anticipated periods when the lumber company would not be operating between Jan. 1, 2024, and Dec. 31, 2025. Stimson told Avista that the lumber company expects there to be extended periods when it would not be operating. However, the power purchase agreement they entered into requires Stimson to pay Avista a use-of-facilities charge during the entire power purchase agreement term.

A proposed amendment that the two submitted to the commission in their application would alter the requirement and allow Stimson to not pay the use-of-facilities charge for the months the lumber company was not operating.

Commission staff expressed concern the amendment would have a negative effective on other Avista ratepayers when the lumber company was idle. The use-of-facilities charge is based on an annual amount of \$8,448, or \$704 per month. If the use-of-facilities rate is charged at a monthly rate of \$704 for only the months when Stimson's facilities were used, the annual use-of-facilities charge would be below the \$8,448 annual rate needed, with other customers paying the difference.

The commission, after reviewing the application, determined the request to amend the power purchase agreement to not pay the use-of-facilities charge was not fair, just or reasonable in certain situations because it would shift the recovery of costs to other customers. The commission understood Avista's wish to charge Stimson a lower rate tied to the months Stimson uses the facilities. However, that type of design would alter the purpose of use-of-facilities fees.

Additional information is available at puc.idaho.gov/case/Details/7266.