



Idaho Public Utilities Commission

P.O. Box 83720, Boise, ID 83720-0074

Brad Little, Governor

Edward Lodge, President

John R. Hammond, Jr., Commissioner

Dayn Hardie, Commissioner

Case No. AVU-E-25-07

Order No. 36777

Case No. AVU-E-25-08

Order No. 36784

Case No. AVU-E-25-09

Order No. 36767

Case No. AVU-E-25-10

Order No. 36779

Contact: Adam Rush

Office: (208) 334-0339

E-mail: adam.rush@puc.idaho.gov

NEWS RELEASE: Commission approves northern Idaho electric utility's applications that will increase rates for customers.

BOISE (Oct. 1, 2025) – The Idaho Public Utilities Commission has approved four applications submitted by Avista Utilities that will increase the rates it charges to provide electric service to customers.

The utility submitted its annual Fixed Cost Adjustment (FCA) application, Purchased Cost Adjustment (PCA) application, Residential Exchange Program application and its Electric Energy Efficiency application.

The FCA is a rate adjustment mechanism that is designed to break the link between the energy a utility sells and the revenue it collects to recover fixed costs by providing service, which decouples the utility's revenues from its customers' energy usage. The decoupling removes a utility's incentive to increase sales to increase revenue and profits and encourages energy conservation. Avista asked for approval to change the FCA rate for residential customers from the rebate rate of \$0.129 per kilowatt-hour to a surcharge rate of \$0.018 per kilowatt-hour. The utility also sought approval to change the rate for non-residential customers from a surcharge rate of \$0.004 per kilowatt-hour to a rate of \$0.058 per kilowatt-hour.

The PCA is a mechanism that monitors changes in revenues and costs associated with hydroelectric generation, secondary prices, thermal fuel costs and changes in revenues and expenses from power contracts. Avista sought approval to adjust the PCA rebate rate from \$0.246 to \$0.301 per kilowatt-hour. The utility said the rebate is mainly due to power supply

costs that were lower than those included in retail rates because of lower wholesale electric and natural gas prices.

The Residential Exchange Program provides a share of the benefits of the federal Columbia River power system to residential and small farm customers in Idaho. Avista applies the benefits it receives, which usually fluctuate from year to year, to customers as a credit in their monthly electric rates. The benefit the utility will receive beginning in October of 2025 will result in a lower level of benefits. Customers had been receiving a credit of \$0.366 per kilowatt-hour. The commission approved the utility's proposal to change the rate to \$0.233 per kilowatt-hour.

The fourth application involves the energy efficiency rider adjustment rates. Avista is seeking to recover costs associated with energy efficiency services and programs offered to customers. The utility provides customers with financial incentives or rebates for participating in the programs. Avista is facing an underfunded balance because of an unanticipated level of customer participation.

Combined, the four applications will result in an overall monthly bill increase of about \$3.43 for the average residential customer using 939 kilowatt-hours per month. The rates are effective Oct. 1, 2025.

Additional information is available at: puc.idaho.gov/case/Details/7577, puc.idaho.gov/case/Details/7578, puc.idaho.gov/case/Details/7579, and puc.idaho.gov/case/Details/7580.