

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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IN THE MATTER OF THE POWER)
COST ADJUSTMENT (PCA) ANNUAL)
RATE ADJUSTMENT FILING OF)
AVISTA CORPORATION.)
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CASE NO. AVU-E-14-06

COMMENTS OF THE
SIERRA CLUB
IDAHO CONSERVATION LEAGUE
MONTANA ENVIRONMENTAL
INFORMATION CENTER

IDAHO PUBLIC UTILITIES COMMISSION

The Sierra Club, the Idaho Conservation League (ICL), and Montana Environmental Information Center (MEIC) submit these comments on Avista Corp's 2014 Power Cost Adjustment (PCA). We urge the Commission to disallow the recovery of the extraordinary power costs associated with the forced outage of Colstrip Unit 4. We recommend the Commission open a separate docket to investigate whether costs associated with an extended, forced outage of Colstrip Unit 4 in 2013-2014 were reasonable and prudently incurred.

Sierra Club is America's oldest and largest grassroots environmental organization. Sierra Club has 1.4 million members and supporters, with over 2,000 members in Idaho. Founded in 1892, the Sierra Club has been working for over a century to protect communities, wild places, and the planet itself. Sierra Club is dedicated to exploring, enjoying, and protecting the wild places of the Earth; to practicing and promoting the responsible use of the Earth's resources and ecosystems; to educating and enlisting humanity to protect and restore the quality of the natural and human environment; and to using all lawful means to carry out these objectives.

Idaho Conservation League is Idaho's largest state-based conservation organization. We represent 20,000 supporters, many of whom are customers of Avista, who have a strong interest in protecting Idaho's air, land, and water. Ensuring a clean, affordable, and reliable electric system is key to protecting these interests.

MEIC is a 40-year strong environmental advocacy organization with members across the country, including Idaho. MEIC works to protect public health and the environment from air pollution, water pollution and climate change.

Our organizations primary concern in the filing regards the Colstrip coal-fired power plant—located 120 miles east of Billings in southeastern Montana. This plant consists of four generating units collectively owned by Puget Sound Energy, PPL Montana LLC, Portland General Electric, Avista, PacifiCorp, and NorthWestern Energy LLC. Avista owns 15% of each Units 3 and 4, representing a combined total capacity of 222 MW.

In this 2014 PCA filing, Avista seeks authorization to impose on its customers a \$7.6 million surcharge, consisting primarily of a \$ 4.1 million increase over authorized expenses related to Colstrip power generation and fuel.¹ As Avista tersely stated in its direct testimony,

¹ See Johnson Direct Testimony at p. 4. (Because Avista has not made its cost breakdown publicly available, it is unclear whether the \$4.1 million line item for Colstrip includes the costs for replacement power during the 7-month forced outage of Colstrip Unit 4, or whether those costs are reflected elsewhere.)