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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF AVISTA)
CORPORATION'S APPLICATION TO ADJUST) **CASE NO. AVU-E-14-06**
ITS ANNUAL POWER COST ADJUSTMENT)
(PCA) RATES.) **COMMENTS OF THE**
) **COMMISSION STAFF**
)

The Staff of the Idaho Public Utilities Commission comments as follows on Avista Corporation's Application to adjust its Annual Power Cost Adjustment (PCA) Rates.

BACKGROUND

On July 30, 2014, Avista Corporation dba Avista Utilities (the Company) filed its annual PCA Application. The Company asks the Commission to let it recover \$7.7 million in deferred net power costs through a 0.252¢ per kilowatt-hour (kWh) PCA surcharge to be effective October 1, 2014.

The Company's PCA mechanism tracks changes in the Company's revenues and costs due to changes in hydropower generation, power market purchases and sales, fuel costs, and other miscellaneous revenues and costs. In this case, the Company attributes its increased net power supply expenses to:

- a forced outage at Colstrip Unit 4 that required the Company to buy replacement power at a higher wholesale price;