

BRANDON KARPEN  
DEPUTY ATTORNEY GENERAL  
IDAHO PUBLIC UTILITIES COMMISSION  
PO BOX 83720  
BOISE, IDAHO 83720-0074  
(208) 334-0357  
IDAHO BAR NO. 7956

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Street Address for Express Mail:  
472 W. WASHINGTON  
BOISE, IDAHO 83702-5918

Attorney for the Commission Staff

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION OF )  
AVISTA CORPORATION FOR AUTHORITY ) CASE NO. AVU-E-15-07  
TO AMEND ITS ANNUAL POWER COST )  
ADJUSTMENT (PCA) RATES. ) COMMENTS OF THE  
 ) COMMISSION STAFF  
 )  
\_\_\_\_\_ )**

**COMES NOW** the Staff of the Idaho Public Utilities Commission, by and through its Attorney of record, Brandon Karpen, Deputy Attorney General, and in response to the Notice of Application and Notice of Modified Procedure issued in Order No. 33368 on August 26, 2015, in Case No. AVU-E-15-07, submits the following comments.

**OVERVIEW OF COMPANY APPLICATION**

On July 31, 2015, Avista Corporation dba Avista Utilities filed its annual Power Cost Adjustment (PCA) Application. The Company states that annual net power costs for the period July 1, 2014 through June 30, 2015, are approximately \$1.203 million lower than net power supply cost included in base rates. The Company, therefore, requests that the Commission approve a rebate rate to customers of 0.032¢ per kilowatt-hour (kWh) to be effective October 1, 2015. When this rebate is combined with expiration of the existing surcharge of 0.252¢/kw, customers will see a total rate reduction of 0.284¢/kw or 3.5%.

Avista's PCA mechanism is used to track changes in revenues and costs associated with variations in hydropower generation, power market purchases and sales, fuel costs, and other