



*Case No. AVU-G-17-06*

*Contact: Matt Evans*

*(208) 334-0339*

*(208) 520-4763*

[www.puc.idaho.gov](http://www.puc.idaho.gov)

## Avista proposal would decrease natural gas rates to better reflect market conditions

**BOISE (Jan. 5, 2018)** – Avista Utilities is seeking approval to decrease the variable portion of its rates for the second time since November.

If the Idaho Public Utilities Commission approves Avista's request to lower the Purchased Gas Cost Adjustment (PGA), a residential customer using an average of 49 therms per month would see a decrease of \$2.73 per month, or 6.4 percent. '

The Spokane-based company asked that the change take effect Jan. 26 so that customers can reap the benefits during the winter heating season.

The Commission is accepting public comment on the proposal through Jan. 17.

The PGA is adjusted every year to account for changes in costs Avista incurs purchasing, storing and transporting the natural gas required to serve approximately 75,000 customers in north Idaho.

About 40 percent of an Avista customers' natural gas bill is tied to the costs of purchasing natural gas on the wholesale market and transporting it to the utility's system.

These costs are based on fluctuating market conditions. The PGA acts as a true-up mechanism that allows Avista to balance the actual costs if they fail to match projections.

When natural gas prices are lower than the amount already included in rates, customers receive a one-year credit. When market prices are higher than expected, customers get a one-year surcharge.

The PGA is typically adjusted in the fall.

While a 2.4-percent decrease to the PGA took effect Nov. 1, 2017, Avista said it is proposing a second reduction to better reflect current market prices for natural gas.

If approved by the Commission, the company's proposal is expected to decrease annual revenue by approximately \$3.2 million, or 7.4 percent.

Large General Service customers would see a decrease of 10.3 percent, while General Service customers (residential and small commercial) would see an average decrease of 6.7 percent.

Today, the bill for a residential customer using 49 therms is \$42.64. That would drop to \$39.91 if the proposal is approved in full.

To comment on Avista's PGA proposal, go to the Commission's website at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click on "Case Comment Form" under the "Natural Gas" heading, or go [here](#). Please enter the case number, AVU-G-17-06. Comments can also be mailed to P.O. Box 83720, Boise, ID, 83720 or faxed to 208-334-3762.