



*Case No. AVU-G-18-04*

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## Regulators to consider Avista proposal to lower natural gas rates, comment deadline set

**BOISE (Sept. 18, 2018)** – The Idaho Public Utilities Commission is accepting comments on an Avista Utilities proposal that would slightly lower natural gas rates.

[The proposal](#) calls for decreasing the Purchased Gas Adjustment by approximately \$600,000 or 1 percent, effective Nov. 1.

If approved by the Commission, a residential customer using 63 therms per month would see a reduction of 34 cents per month, or 0.7 percent, taking the monthly bill from \$48.31 to \$47.97.

The Commission is accepting comments on the proposal through Oct. 10.

The primary drivers for the proposed rate decrease are continued low natural gas commodity costs and lower costs for transporting natural gas on interstate pipelines to Avista's distribution system.

The PGA is typically adjusted annually to account for changes in costs Avista incurred over the previous year purchasing, storing and transporting the natural gas required to serve approximately 83,000 customers in north Idaho.

About 40 percent of an Avista customer's 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 can be difficult to predict since they are based on market conditions.

If the costs do not match the amount that customers paid into the PGA account, the PGA allows Avista to balance the two, with Commission approval.

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

While the PGA is typically adjusted annually, with the new rate taking effect each Nov. 1, the Commission approved a 6.4-percent decrease for residential customers in late January 2018, nearly three months after a 2.4-percent PGA decrease took effect.

The PGA is one of two Avista proposals that would lower natural gas rates if approved by the Commission.

Avista also has requested authorization to decrease its [Fixed Cost Adjustment](#) (FCA) mechanism by 4.2 percent for residential natural gas service.

If both proposals are approved by the Commission, a residential natural gas customer using an average of 63 therms per month would see a 4.9-percent decrease in the monthly bill, taking it from \$48.31 to \$45.93. Both would take effect Nov. 1.

Go [here](#) to submit a comment electronically. Or go to the Commission's web site, [www.puc.idaho.gov](http://www.puc.idaho.gov) and click on "Case Comment Form" under the "Natural Gas" heading.

Comments can also be submitted via fax to (208) 334-3762 or by mail to P.O. Box 83720, Boise, ID 83720-0074. Please be sure to include the case number, AVU-G-18-04.

All documents related to this case, including Avista's application and exhibits, are available [here](#). Or go to the Commission's web site, [www.puc.idaho.gov](http://www.puc.idaho.gov), click on "Open Cases" under the "Natural Gas" heading and scroll down to case number AVU-G-18-04.

**Here is a look at the PGA in recent years:**

- 2018: Proposed decrease of 1 percent
- 2018: 6.4-percent decrease took effect January 2018
- 2017: 2.4-percent decrease
- 2016: 7.8-percent decrease
- 2015: 14.5-percent decrease
- 2014: 2.1-percent decrease
- 2013: 6.8-percent increase