



Idaho Public Utilities Commission  
2020 Annual Report  
11331 W. Chinden Boulevard, Building 8  
Suite 201-A  
Boise, ID 83714  
[www.puc.idaho.gov](http://www.puc.idaho.gov)

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## Idaho Public Utilities Commission

**Contact us:** 208-334-0300

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

Commission Secretary	1-208-334-0338
Public Information	1-208-334-0339
Utilities Division	1-208-334-0367
Legal Division	1-208-334-0324
Rail Section and Pipeline Safety	1-208-334-0330
Consumer Assistance Section	1-208-334-0369
Outside Boise, Toll-Free Consumer Assistance	1-800-432-0369

### Idaho Telephone Relay Service (statewide)

Voice:	1-800-377-3529
Text Telephone:	1-800-368-6185
TRS Information:	1-800-368-6185

This report and all the links inside can be accessed online from the Commission's Website at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click on "File Room," in the upper-left-hand-corner and then on "IPUC 2020 Annual Report."

Front cover artwork courtesy of Paul Kjellander, President, Idaho Public Utilities Commission.



**Idaho Public Utilities Commission**

PO Box 83720, Boise, ID 83720-0074

**Brad Little, Governor**

**Paul Kjellander, Commissioner  
Kristine Raper, Commissioner  
Eric Anderson, Commissioner**

December 1, 2020

The Honorable Brad Little  
Governor of Idaho  
Statehouse  
Boise, ID 83720-0034

Dear Governor Little:

It is our distinct pleasure to submit to you, in accordance with Idaho Code §61-214, the Idaho Public Utilities Commission 2020 Annual Report. This report is a detailed description of the most significant cases, decisions and other activities during 2020. The financial report on Page 7 is a summary of the commission's budget through the conclusion of Fiscal Year 2020, which ended June 30, 2020.

It has been a privilege and honor serving the people of Idaho this past year.

Sincerely,

A handwritten signature in black ink that reads "Paul Kjellander".

Paul Kjellander  
President, Idaho Public Utilities Commission

A handwritten signature in black ink that reads "Kristine Raper".

Kristine Raper  
Commissioner

A handwritten signature in blue ink that reads "Eric Anderson".

Eric Anderson  
Commissioner

## COMMISSIONERS

### PAUL KJELLANDER



Commissioner Paul Kjellander serves as President of the Idaho Public Utilities Commission, having been appointed to his current six-year term in 2017 by Gov. C.L. “Butch” Otter. His term expires in 2023.

It is Commissioner Kjellander’s second term in his second stint on the Commission, having previously served from January 1999 until October 2007. Gov. C.L. “Butch” Otter reappointed Kjellander in April 2011, following his service as administrator of the newly created state Office of Energy Resources (OER).

A member of the National Association of Regulatory Utility Commissioners’ (NARUC) board of directors and executive committee, Kjellander serves as President of the association and is a member of the subcommittee on Education and Research. He previously served on NARUC’s Committee on Consumer Affairs and its Electricity Committee and is past Chair of the Committee on Telecommunications.

Kjellander serves as President of the National Council on Electricity Policy, which is funded by the US Department of Energy and managed by NARUC. He is a member of the Federal Communications Commission’s 706 Joint Board and has served as chairman of the FCC’s Federal-State Joint Board on Jurisdictional Separations.

During his time at OER, which is now known as the Office of Energy and Mineral Resources, Kjellander created an aggressive energy efficiency program funded through the federal American Recovery and Reinvestment Act of 2009. He also served on the board of the National Association of State Energy Officials.

Before joining the Commission in 1999, Kjellander was elected to three terms in the Idaho House of Representatives, where he served from 1994-1999. As a legislator, Kjellander served on a number of committees, including the House State Affairs, Judiciary and Rules, Ways and Means, Local Government and Transportation. During his final term in office, Kjellander was elected chairman of the House Majority Caucus.

Prior to his legislative service, Kjellander was director of Boise State University’s College of Applied Technology Distance Learning, where he earned tenured faculty status and served as program head of broadcast technology, station manager of BSU Radio Network, director of the Special Projects Unit for BSU Radio and as BSU Radio’s director of News and Public Affairs.

Commissioner Kjellander earned undergraduate degrees in communications, psychology, and art from Muskingum College in Ohio, and earned a master’s degree in telecommunications from Ohio University.



## KRISTINE RAPER

Commissioner Kristine Raper was appointed to the Commission in February 2015 by Gov. C.L. “Butch” Otter. Her term expires in 2021.

Prior to her appointment, Raper served for seven years as a deputy attorney general assigned to the Commission. Raper managed a caseload representing a myriad of regulatory and energy law matters, with a strong emphasis on the federal Public Utility Regulatory Policies Act (PURPA).

Commissioner Raper has defended the Commission’s decisions at the Idaho Supreme Court, District Court and Federal Energy Regulatory Commission. In 2017, Raper testified before the House subcommittee on Energy and Commerce regarding PURPA and its modern-day impacts.

Commissioner Raper currently serves on the Electricity Committee of the National Association of Regulatory Utility Commissioners’ (NARUC). She is a member of the Body of State Regulators for the Energy Imbalance Market (EIM), a real-time energy market operated by the California ISO. Commissioner Raper is also a member of the Governance Review Committee, the body responsible for governance review of the EIM as the ISO contemplates the viability of a day-ahead market.

Commissioner Raper earned an undergraduate degree in Criminal Justice from Boise State University. She earned her juris doctor degree from the University of Idaho College of Law.

The Commissioner and her husband, Mark, share three children.



## ERIC ANDERSON



Commissioner Eric Anderson was appointed to his current six-year term in January 2019 by Gov. Brad Little. It is his second term on the Commission, having been initially appointed in December 2015 by former Gov. C.L. “Butch” Otter.

Commissioner Anderson serves on the National Association of Regulatory Utilities Commissioners (NARUC) Committee on Water as well as its Committee on International Relations. In November 2019 Commissioner Anderson was appointed Chair of NARUC’s Committee on Water.

Before joining the Commission, Anderson served five terms in the Idaho Legislature, from 2004-2014, and was chairman of the House Ways and Means Committee in his final term in the state Legislature.

As a member of the Idaho House of Representatives, Anderson served on a number of committees, including Environment, Energy and Technology, Commerce and Human Resources, Resource and Conservation, Business, and State Affairs. He also chaired a legislative Interim Subcommittee on Renewable Energy.

Anderson received a bachelor of art degree in political science and government from Eastern Washington University in 1979.

A general contractor and real estate broker, Anderson also served as director and vice president of Sandpoint-based Northern Lights Inc., an electric cooperative.

He has also served as a director of the Idaho Consumer-Owned Utilities Association, the National Rural Electric Cooperative Association and the Idaho Energy Resources Authority. He is a past member and advisor to the Pacific States Marine Fisheries Council and the Pacific Northwest Economic Region’s Executive Council.

## FINANCIAL SUMMARY FUND 0229\*

Fiscal Years 2016 - 2020

Description	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
<b>Personnel Costs</b>	\$3,835,900	\$4,070,200	\$3,962,400	\$3,990,800	\$3,576,800
<b>Communication Costs</b>	\$28,700	\$23,400	\$25,000	\$23,100	\$45,900
<b>Employee Development Costs</b>	\$98,700	\$81,400	\$98,800	\$95,400	\$51,300
<b>Professional Services</b>	\$8,600	\$11,900	\$49,000	\$35,800	\$39,800
<b>Legal Fees</b>	\$569,100	\$482,100	\$537,500	\$602,600	\$630,000
<b>Employee Travel Costs</b>	\$159,200	\$173,900	\$204,300	\$219,700	\$140,000
<b>Fuel &amp; Lubricants</b>	\$2,900	\$4,900	\$6,400	\$7,700	\$7,300
<b>Insurance</b>	\$2,000	\$3,500	\$4,500	\$3,900	\$7,200
<b>Rentals &amp; Leases</b>	\$223,800	\$147,000	\$274,000	\$76,100	\$390,700
<b>Misc. Expenditures</b>	\$104,300	\$114,900	\$697,900	\$1,663,500	\$977,500
<b>Computer Equipment</b>	\$52,200	\$44,700	\$9,400	\$5,300	\$2,200
<b>Office Equipment</b>	\$8,100	\$4,200	\$2,100	\$0	\$311,900
<b>Motorized/Non-Motorized Equip</b>	\$0	\$0	\$0	\$0	\$0
<b>Specific Use Equipment</b>	\$1,700	\$4,500	\$2,600	\$1,300	\$1,700
<b>Total Expenditures</b>	\$5,095,200	\$5,166,600	\$5,910,300	\$6,725,200	\$6,182,300
<b>Fund 0229-20 Appropriation</b>	\$5,766,500	\$5,902,700	\$6,039,300	\$8,556,700	\$7,512,400
<b>Fund 0229-20 Encumbrances</b>	\$32,000	\$49,200	\$93,800	\$393,200	\$124,900
<b>Unexpended Balance</b>	\$639,300	\$686,900	\$35,200	\$1,438,300	\$1,205,200

Unexpended Balance includes carry forward funds for one-time office move that crossed both FY 2019 and FY 2020.

\*This summary represents assessment funded expenses only. It does not include federal or other funds.



## COMMISSION STRUCTURE AND OPERATIONS

Under state law, the Idaho Public Utilities Commission supervises and regulates Idaho’s investor-owned utilities – electric, gas, telecommunications and water – assuring adequate service and affixing just, reasonable and sufficient rates.

The commission does not regulate publicly owned, municipal or cooperative utilities.

The governor appoints the three Commissioners with confirmation by the Idaho Senate. No more than two Commissioners may be of the same political party. The Commissioners serve staggered six-year terms.

The governor may remove a Commissioner before his/her term has expired for dereliction of duty, corruption or incompetence.

The three-member commission was established by the 12th Session of the Idaho Legislature and was organized May 8, 1913 as the Public Utilities Commission of the State of Idaho. In 1951 it was reorganized as the Idaho Public Utilities Commission. Statutory authorities for the commission are established in Idaho Code Titles 61 and 62.



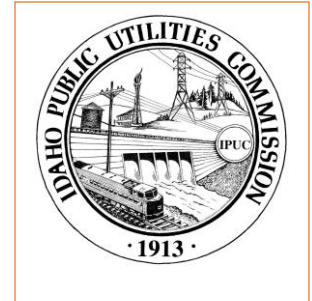
The IPUC has quasi-legislative and quasi-judicial as well as executive powers and duties.

In its quasi-legislative capacity, the commission sets rates and makes rules governing utility operations. In its quasi-judicial mode, the commission hears and decides complaints, issues written orders that are similar to court orders and may have its decisions appealed to the Idaho Supreme Court. In its executive capacity, the commission enforces state laws and rules affecting the utilities and rail industries.

Commission operations are funded by fees assessed on the utilities and railroads it regulates. Annual assessments are set by the commission each year in April within limits set by law.

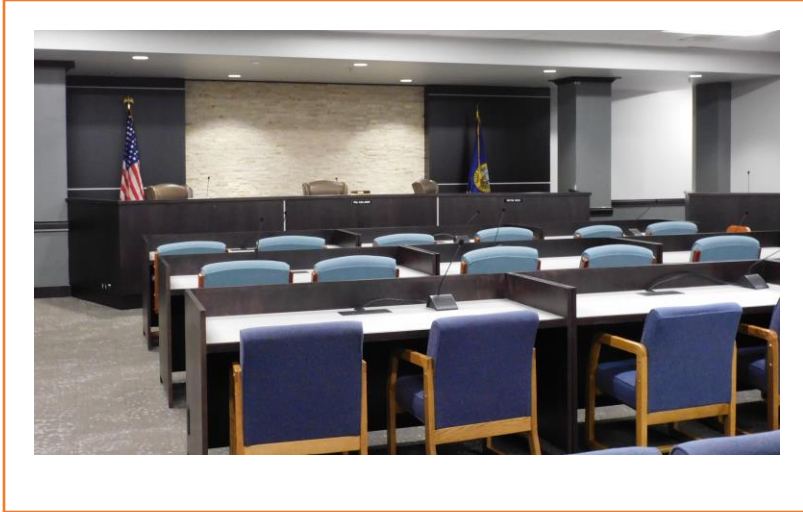
The commission president is its chief executive officer.

Commissioners meet on the first Monday in April in odd-numbered years to elect one of their own to a two-year term as president. The president signs contracts on the commission’s behalf, is the final authority in personnel matters and handles other administrative tasks. Chairmanship of individual cases is rotated among all three Commissioners.



The commission conducts its business in two types of meetings – **hearings** and **decision meetings**. Decision meetings are typically held once a week, usually on Tuesday.

Formal **hearings** are held on a case-by-case basis, sometimes in the service area of the impacted utility. These hearings resemble judicial proceedings and are recorded and transcribed by a court reporter.



**PUC hearing room**

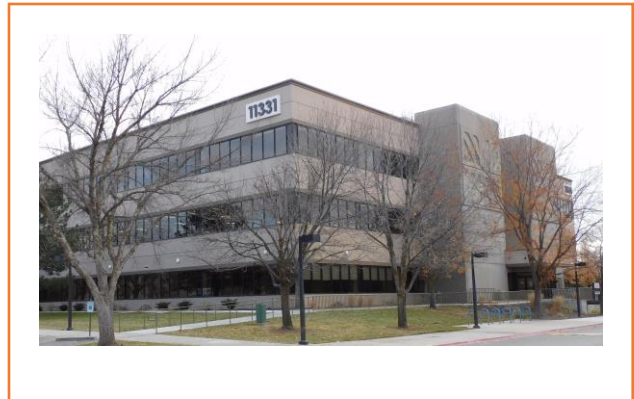
There are **technical hearings** and **public hearings**. At technical hearings, formal parties who have been granted “intervenor status” present testimony and evidence, subject to cross-examination by attorneys from the other parties, staff attorneys and the commissioners. At public hearings, members of the public may testify before the commission.

In 2009, the commission began conducting telephonic public hearings to save expense and allow customers to testify from the comfort of their own homes. Commissioners and other interested parties gather in the Boise hearing room and

are telephonically connected to ratepayers who call in on a toll-free line to provide testimony or listen in. A court reporter is present to take testimony by telephone, which has the same legal weight as if the person testifying were present in the hearing room. Commissioners and attorneys may also direct questions to those testifying.

The commission also conducts regular decision meetings to consider issues on an agenda prepared by the commission secretary and posted in advance of the meeting, consistent with the Idaho Open Meeting Law. These meetings are usually held Tuesdays at 1:30 p.m., although by law the commission is required to meet only once a month. Members of the public are welcome to attend decision meetings.

Typically, decision meetings consist of the commission’s review of decision memoranda prepared by commission staff. Minutes of the meetings are taken. Decisions reached at these meetings may be either final or preliminary, but subsequently become final when the commission issues a written order signed by a majority of the commission. Under the Idaho Open Meeting Law, commissioners may also privately deliberate fully submitted matters.



**PUC Headquarters**

**11331 W. Chinden Blvd., Building 8  
Suite 201-A, Boise, Idaho 83714.**

## Commission Staff

### OUR MISSION

- *Determine fair, just and reasonable rates and utility practices for electric, gas, telephone and water consumers.*
- *Ensure that delivery of utility services is safe, reliable and efficient.*
- *Ensure safe operation of pipelines and rail carriers within the state.*

To help ensure its decisions are fair and workable, the commission employs a staff of about 50 people – engineers, rate analysts, attorneys, accountants, investigators, economists, secretaries and other support personnel. The commission staff is organized in three divisions – administration, legal and utilities.

### Administration

The Administrative Division is responsible for coordinating overall IPUC activities. The division includes the three commissioners, a policy strategist, a commission secretary, an executive director, and support personnel.

The **policy strategist** is an executive level position reporting directly to the commissioners with policy and technical consultation and research support regarding major regulatory issues in the areas of electricity, telecommunications, water and natural gas. The strategist also is charged with developing comprehensive policy strategy, providing assistance and advice on major litigation before the commission, public agencies and organizations.

**Contact Stephen Goodson, policy strategist, at 1-208-334-0323.**

The **commission secretary**, a post established by Idaho law, keeps a precise public record of all commission proceedings. The secretary issues notices, orders and other documents to the proper parties and is the official custodian of documents issued by and filed with the commission. Most of these documents are public records.

**Contact Jan Noriyuki, commission secretary, at 1-208-334-0338.**

The **executive director** has primary responsibility for the commission’s fiscal and administrative operations, preparing the commission budget and supervising fiscal, administration, public information, personnel, information systems, rail section operations and pipeline safety. The executive director also serves as a liaison between the commission and other state agencies and the Legislature.

**Contact Maria Barratt-Riley, executive director, at 1-208-334-0337.**

The **public information office** is responsible for public communication between the commission, the general public and interfacing governmental offices. The responsibility includes news releases, responses to public inquiries, coordinating and facilitating commission workshops and public hearings and the preparation and coordination of any IPUC report directed or recommended by the Idaho Legislature or Governor. The office also works with Legal staff to coordinate responses to public records requests.

**Contact Adam Rush, public information officer, at 1-208-334-0339.**

## Legal

Five **deputy attorneys general** are assigned to the commission from the Office of the Attorney General and have permanent offices at IPUC headquarters. The IPUC attorneys represent the staff in all matters before the commission, working closely with staff accountants, engineers, investigators and economists as they develop their recommendations for rate case and policy proceedings.

In the hearing room, IPUC attorneys coordinate the presentation of the staff's case and cross-examine other parties who submit testimony. The attorneys also represent the commission itself in state and federal courts and before other state or federal regulatory agencies.

**Contact Karl Klein, legal division director, at 1-208-334-0320.**

## Utilities Division

The Utilities Division, responsible for technical and policy analysis of utility matters before the commission, is divided into four sections.

The staff analyzes each petition, complaint, rate increase request or application for an operating certificate received by the commission. In formal proceedings before the commission, the staff acts as a separate party to the case, presenting its own testimony, evidence and expert witnesses. The commission considers staff recommendations along with those of other participants in each case - including utilities, public, agricultural, industrial, business and consumer groups.

**Contact Terri Carlock, utilities division administrator, at 1-208-334-0356.**

The **accounting section** of five auditors audits utility books and records to verify reported revenue, expenses and compliance with commission orders. Staff auditors present the results of their findings in audit reports as well as in formal testimony and exhibits. When a utility requests a rate increase, cost-of-capital studies are performed to determine a recommended rate of return. Revenues, expenses and investments are analyzed to determine the amount needed for the utility to earn the recommended return on its investment.

**Contact Donn English, accounting section program manager, at 1-208-334-0362.**

The **engineering section** of two engineers and two utility analysts reviews the physical operations of utilities. The staff of engineers and analysts develops computer models of utility operations and compares alternative costs to repair, replace and acquire facilities to serve utility customers. The group establishes the price of acquiring cogeneration and renewable generation facilities and identifies the cost of serving various types of customers. They evaluate the adequacy of utility services and frequently help resolve customer complaints.

**Contact Mike Louis, engineering section program manager, at 1-208-334-0316.**

The **technical analysis section** of four utility analysts determines the cost effectiveness of all Demand Side Management (DSM) programs including energy efficiency and demand response. They identify potential for new DSM programs and track the impact on utility revenues. They review utility forecasts of energy, water and natural gas usage with focus on residential self-generation and rate design.

**Contact Donn English, technical analysis program manager, at 1-208-334-0362.**

The **consumer assistance section** includes three compliance investigators who resolve conflicts between utilities and their customers. Customers faced with service disconnections often seek help in negotiating payment arrangements. Consumer Assistance may mediate disputes over billing, deposits, line extensions and other service problems. Consumer Assistance monitors Idaho utilities to verify they are complying with commission orders and regulations. Investigators participate in general rate and policy cases when rate design and customer service issues are brought before the commission. The consumer assistance section includes the telecommunications section. This section oversees tariff and price list filings, area code oversight, Universal Service, Lifeline and Telephone Relay Service. The telecommunications section also assists and advises the commission on technical matters that include advanced services, 911 and other matters as requested.

**Contact Daniel Klein, consumer program manager, at 1-208-334-0352.**

## Railroad Safety Section

The **railroad safety section** oversees the safe operations of railroads that move freight in and through Idaho and enforces state and federal regulations safeguarding the transportation of hazardous materials by rail in Idaho. The commission's rail safety inspectors inspect railroad crossings and rail clearances for safety and maintenance deficiencies. The Rail Section partners with the Federal Railroad Authority, inspecting hazardous materials containers being moved and stored in trains throughout Idaho.

As part of its regulatory authority, the commission evaluates the discontinuance and abandonment of railroad service in Idaho by conducting an independent evaluation of each case to determine whether the abandonment of a particular railroad line would adversely affect Idaho shippers and whether the line has any profit potential. Should the commission determine abandonment would be harmful to Idaho interests, it then represents the state before the federal Surface Transportation Board, which has authority to grant or deny line abandonments.

**Contact Wayne Andrews, rail inspector, at 1-208-334-0317.**

## Pipeline Safety Section

The **pipeline safety section** oversees the safe operation of the intrastate natural gas pipelines in Idaho.

The commission's pipeline safety personnel verify compliance with state and federal regulations by on-site inspections of intrastate pipeline distribution systems. Part of the inspection process includes a review of record-keeping practices and compliance with design, construction, operation, maintenance and drug/alcohol abuse regulations.

Key objectives of the program are to monitor accidents and violations, to identify their contributing factors and to implement practices to avoid accidents. All reportable accidents are investigated and appropriate reports filed with the U.S. Department of Transportation in a timely manner.

**Contact Darrin Ulmer, pipeline safety program manager, at 1-208-334-0321.**

## WHY CAN'T YOU JUST TELL THEM NO?

One of the most frequently asked questions the PUC receives after a utility files a rate increase application is, “**Why can’t you just tell them no?**” Actually, we can, but not without evidence.

For more than 100 years, public utility regulation has been based on this **regulatory compact** between utilities and regulators: *Regulated utilities agree to invest in the generation, transmission and distribution necessary to adequately and reliably serve all the customers in their assigned territories. In return for that promise to serve, utilities are guaranteed recovery of their prudently incurred expense along with an opportunity to earn a reasonable rate of return.* The rate of return allowed must be high enough to attract investors for the utility’s capital-intensive generation, transmission and distribution projects, but not so high as to be unreasonable for customers.



In setting rates, the commission must consider the needs of **both** the utility and its customers. The commission serves the public interest, not the popular will. It is not in customers’ best interest, nor is it in the interest of the State of Idaho, to have utilities that do not have the generation, transmission and distribution infrastructure to be able to provide safe, adequate and reliable electrical, natural gas and water service. This is a critical, even life-saving, service for Idaho’s citizens and essential to the state’s economic development and prosperity.

Unlike unregulated businesses, utilities cannot cut back on service as costs increase. As demand for electricity, natural gas and water grows, utilities are statutorily required to meet that demand. In Idaho recently, and across the nation, a continued increase in demand as well as a number of other factors have contributed to rate increases on a scale we have not witnessed before. It is not unusual now for Idaho’s three major investor-owned electric utilities to file annual rate increase requests.

In light of these continued requests for rate increases, the commission walks a fine line in balancing the needs of utilities to serve customers and customers’ ability to pay.

When a rate case is filed, our staff of auditors, engineers, analysts, consumer investigators and attorneys will take up to six months to examine the request. During that period, other parties, often representing customer groups, will “intervene” in the case for the purpose of conducting discovery, presenting evidence and cross-examining the company and other parties to the case. The commission staff, which operates independently of the commission, will also file its own comments that result from its investigation of the company’s request. The three-member commission will also conduct technical and public hearings.

Once testimony from the company, commission staff and intervening parties is presented and testimony from hearings and written comments is taken, all of that information is included in the official record for the case. It is only from the evidence contained in this official record that the commission can render a decision.

If the utility has met its burden of proof in demonstrating that the additional expenditure it incurred was 1) **necessary** to serve customers and 2) **prudently incurred**, the commission must allow the utility to recover that cost. The commission can -- and often does -- deny recovery of some or all the expenditures utilities seek to recover from customers if the commission is confident it has the legal justification to do so. Utilities and parties to a rate case have the right to petition the commission for reconsideration. Following reconsideration, utilities or customer groups can appeal the commission’s decision to the state Supreme Court.

In the end, the commission’s job is to ensure that customers are paying a reasonable rate and are receiving adequate and reliable service and that utilities are allowed to recover their prudently incurred expenses and earn a fair rate of return.



## ELECTRIC



### Avista Utilities

#### 2019 Average Number of Customers/Avg. Revenue/kwh\*

345,064 Residential Customers/\$0.09801

42,930 Commercial Customers/\$0.10018

1,305 Industrial Customers/\$0.05594



### Idaho Power Company

#### 2019 Average Number of Customers/Avg. Revenue/kwh\*

477,404 Residential Customers/\$0.1020

72,855 Commercial Customers/\$0.0735

131 Industrial Customers/\$0.0545



### Rocky Mountain Power

#### 2019 Average Number of Customers/Avg. Revenue/kwh\*

PacifiCorp/Rocky Mountain Power

67,163 Residential Customers/\$0.1046

9,901 Commercial Customers/\$0.0830

6,455 Industrial Customers/\$0.0666

\*The information above shows each regulated electric utility's average number of customers per customer class and the average revenue per kilowatt-hour (kWh) for 2019.

## Avista

### Virtual public workshop on Avista's 2020 electric Integrated Resource Plan will be held July 9

Staff for the Idaho Public Utilities Commission will host a virtual public workshop on July 9 regarding Avista's electric Integrated Resource Plan ("IRP").

The workshop is intended to provide the public the opportunity to hear an overview from Commission Staff of the Company's 20 year plan, staff's analysis of Avista's 2020 electric IRP and to allow Commission Staff to hear concerns and address questions from the public.

The public workshop is from 4:00 p.m. to 6:00 p.m. (MDT) on Thursday, July 9. Those interested in participating can do so by calling 1-415-655-0001, and entering access code 133 529 9901. Customers can also participate online by visiting [idahogov.webex.com](http://idahogov.webex.com), and entering the number 133 529 9901. At the next window, please enter your name, e-mail address and the password: July9Meeting.

The IRP is a biennial status report on the utility's ongoing and evolving plans to adequately and reliably serve its customers at the lowest system cost and least risk over the next 20 years. Avista develops its plan through a public process involving customers, Commission Staff, the Northwest Power and Conservation Council, consumer advocates, academics, environmental groups, utility peers, government agencies and other interested parties. Avista submits its IRP to the Idaho Public Utilities Commission for acknowledgment. Commission acknowledgment of the IRP does not mean the Commission approves of any specific conclusions or results, but rather acknowledges the company adequately addressed the matters required by the Commission's prior orders.

For additional information on Avista's IRP, please visit [www.puc.idaho.gov](http://www.puc.idaho.gov), click on "Electric," then "Open Cases" and select case number AVU-E-19-01. Those interested in the IRP can also visit <https://www.myavista.com/about-us/integrated-resource-planning>.

### Idaho Public Utilities Commission approves settlement with Avista Utilities that will result in rate decrease

The Idaho Public Utilities Commission has approved a proposed settlement with Avista Utilities that decreases annual base electric revenues by \$7.18 million, or 2.84 percent.

The settlement takes effect Dec. 1, 2019. A residential electric customer who uses an average of 900 kilowatt-hours per month will see a decrease in their bill of \$0.86, or a 1 percent decrease for a revised monthly bill of \$84.45.

Avista's original proposal called for an increase in electric base revenues of \$5.25 million, or 2.1 percent. The Spokane-based company said its original request was prompted by an increase in net plant investment (including return on investment, depreciation and taxes, and offset by the tax benefit of interest) from that currently authorized. In addition, net power supply expense is reduced from the currently authorized level, offsetting the company's overall increase as originally requested.

Idaho state law allows regulated utilities to recover prudently incurred expenses and earn a reasonable rate of return. The rate of return is established by the Idaho Public Utilities Commission. A utility has the burden of proof to demonstrate that additional capital investment was necessary to serve customers and, if so, that the expenses were prudently incurred.

Based on the settlement, there will be several reductions to the company's original proposal. For Avista's electric operations, those changes include a \$2.2 million decrease to the company's proposed 2019 revenue requirement tied to a reduction in return on common equity, a reduction of nearly \$774,000 through the elimination of officer incentive pay and salary increases and a reduction in nonofficer incentives and salary increases. There also is a reduction of approximately \$6.4 million due to reduced power supply costs.

The revenue decreases are based on a 9.5-percent return on equity, down from a 9.9-percent return on equity in Avista's original proposal. The settlement agreement was reached between parties to the case after a settlement conference in September. Those parties included commission staff, Clearwater Paper Corporation, Idaho Conservation League, Idaho Forest Group, the Community Action Partnership Association of Idaho, and Walmart, Inc.

## Idaho Power

### Commission declines proposed Idaho Power net metering settlement agreement, grandfathers existing customers into current program

State regulators at the Idaho Public Utilities Commission have rejected a proposed settlement agreement that would change how Idaho Power customers who installed solar panels or other on-site generation systems are compensated.

The proposed settlement agreement involves net metering, where Idaho Power customers pay an independent contractor to have solar panels or other systems installed on their homes or property and then receive credit from Idaho Power for the surplus energy they deliver to the company.

Under the proposed agreement, energy production and consumption would have been netted hourly. Under Idaho Power's current program, production and consumption are netted on a monthly basis. The settlement agreement also would have paid existing on-site generation customers an export credit rate for net energy exported to Idaho Power's grid. Under the company's current program, net excess energy is compensated at a 1:1 kilowatt hour credit, meaning the value of the net energy exports is equal to the value of the energy consumed. The settlement agreement also transitioned new and existing customers who have on-site generation to a new pricing structure over an eight-year period. In addition, Idaho Power would provide a non-export option for customers who want to interconnect to Idaho Power's grid without exporting excess energy back to the company.

The proposed agreement covered Schedule 6 and Schedule 8 Idaho Power customers. Schedule 6 customers are residential customers. Schedule 8 customers are small, general service customers. The

agreement was reached after a year of negotiations involving Idaho Power, staff with the commission, the Idaho Clean Energy Association, Idaho Conservation League, Vote Solar, the Idaho Irrigation Pumpers Association, Inc., Idahohydro, the City of Boise, Idaho Sierra Club, Industrial Customers of Idaho Power, and Russell Schiermeier.

In the commission's order that rejected the settlement agreement, the commission found that the record created from the settlement proceedings was insufficient to support the settlement. The commission also found the public was not adequately notified or aware that the agreement might result in significant changes to Idaho Power's net metering program.

The commission also addressed the issue of grandfathering for existing Idaho Power net-metering customers. Numerous comments that were submitted expressed concern that proposed changes to Idaho Power's net metering program would make it difficult for homeowners who invested in solar panels to recoup the cost of their investments. The commission found it reasonable and just to grandfather existing customers under rules in place as of the service date of the commission's order.

In its order, the commission directed Idaho Power to conduct a study of the costs and benefits of distributed on-site generation to its system. The order requires the study to use the most current data possible and that the data be readily available to the public. The order also requires the study to be designed in coordination with the parties that participated in settlement talks as well as all stakeholders. Other requirements are that the study is written so it is understandable to an average customer while its analysis can withstand expert scrutiny. In addition, commission staff and Idaho Power will host public workshops to provide information and perspectives on Idaho Power net-metering program design as well as the design of the study before it is conducted.

The commission's order also requires an opportunity for public comment on the design of the study and public comment on net-metering program design.

During public hearings on the proposed agreement, the commission listened to thirteen hours of public testimony over two days. The commission also received more than 1,000 written comments.

To access documents filed in this case, please visit the commission's website at [www.puc.idaho.gov](http://www.puc.idaho.gov), and click on "Open Cases" under the "Electric" heading. Scroll down to case number IPC-E-18-15.

## **Commission issues decision on requests for reconsideration in Idaho Power Net Metering case**

The Idaho Public Utilities Commission issued its decision on Wednesday regarding petitions for reconsideration in an Idaho Power Net Metering case.

The commission had received eight petitions for reconsideration and/or clarification on an order it issued on Dec. 20, 2019. That order involved how current and future Idaho Power customers who install solar

panel systems would be compensated for surplus energy their systems give back to Idaho Power's electric grid.

In its decision issued Wednesday, the commission largely followed the order it released on Dec. 20, with a few exceptions.

The commission determined it would be more appropriate to grandfather customers by system site, as opposed to by customer. Because the grandfathered status now goes with the system, when a customer sells their house with a grandfathered system, the new homeowner and all future owners of the home will continue to receive 1:1 monthly netting until Dec. 20, 2045. After that, they will be eligible to participate in Idaho Power's net-metering program in place at that time.

The commission also clarified that a customer who has a grandfathered system can put an additional system on their property without losing the grandfathered status of the first system, as long as the energy from those systems is separately measured. The additional system would not have a grandfathered status.

To view the commission's order on the petitions for reconsideration, please visit <https://puc.idaho.gov/PublicDocs/Orders> and click on Reconsideration Order No. 34546.PDF.

## **Live-streamed public workshop scheduled for Idaho Power's application to change metering requirement and grandfather existing commercial, industrial, and irrigation customers with on-site generation**

Staff with the Idaho Public Utilities Commission will host a livestreamed public workshop to discuss Idaho Power's application that proposes changes to its net metering program for large commercial, industrial, and irrigation customers with on-site generation.

Idaho Power filed an application with the commission seeking to replace the existing two-meter requirement with a single-meter requirement as of Dec. 1, 2020, require large commercial, industrial and irrigation customers who sign up for the net metering program on or after Dec. 1, 2020, to be subject to any future Commission-approved changes to the billing methodology and compensation structure for those groups of customers and grandfather customers who have applied to take service under Schedule 84 before Dec. 1, 2020, to the present terms in Schedule 84 for 10 years.

The commission is located at 11331 W. Chinden Boulevard, Building 8, Suite 201-A. Because of health concerns regarding Covid-19, the public is encouraged to participate through the livestreamed workshop instead of in person. The workshop is on Monday, Sept. 28, from 6:00 p.m. to 8:00 p.m. (MDT). Commission staff will share information on the application and answer questions from the public. Representatives from Idaho Power will also be available to address customer questions and concerns. Those interested in participating online can do so by visiting [idahogov.webex.com](http://idahogov.webex.com) and entering number 133 703 0485. At the next window, enter your name, e-mail address and the password MondayHearing28. Those interested in participating can also do so via phone by calling 1-415-655-0001, and entering the access code 133 703 0485.

For additional information on Idaho Power's application, please visit <https://puc.idaho.gov/case/Details/6523>.

## **Telephonic public hearing scheduled for Idaho Power's application to change metering requirement and grandfather existing commercial, industrial, and irrigation customers with on-site generation**

The Idaho Public Utilities Commission will host a telephonic public hearing to take testimony on Idaho Power's application that proposes changes to its net metering program for large commercial, industrial, and irrigation customers with on-site generation.

Idaho Power filed an application with the commission seeking to replace the existing two-meter requirement with a single-meter requirement as of Dec. 1, 2020, require large commercial, industrial and irrigation customers who sign up for the net metering program on or after Dec. 1, 2020, to be subject to any future commission-approved changes to the billing methodology and compensation structure for those groups of customers and grandfather customers who have applied to take service under Schedule 84 before Dec. 1, 2020, to the present terms in Schedule 84 for 10 years.

The telephonic hearing is on Tuesday, Oct. 13, and starts at 6:00 p.m. (MDT). Participation can be accomplished by calling 1-800-920-7487 and entering 6674832# when prompted. Those planning on testifying are encouraged to start calling in to the hearing at 5:30 p.m. (MDT) on Oct. 13. In the interest of public health and safety, and consistent with guidance from both the CDC and Central District Health regarding mitigation of exposure to Covid-19, the hearing will be telephonic only.

To identify callers and manage the hearing efficiently, those interested in testifying are encouraged to contact Adam Rush at [adam.rush@puc.idaho.gov](mailto:adam.rush@puc.idaho.gov) or call 1-208-334-0339 and provide their name and the telephone number they will be calling in on. Please provide this information no later than 4:00 p.m. (MDT) on Tuesday, Oct. 13, 2020. Additional callers will not be prohibited from testifying, but will be accommodated after the identified callers have testified.

Written comments on the application are due by Tuesday, Oct. 27, 2020.

## **PUC will host online public workshop to share information on Idaho Power application to establish tariff schedule**

The Idaho Public Utilities Commission will hold an online, livestreamed public workshop to share information regarding an Idaho Power application to establish tariff Schedule 68, Interconnections to Customer Distributed Energy Resources.



Idaho Power filed the application after being directed by the commission to file proposed smart inverter requirements with the commission within 60 days of the final adoption of Institute of Electrical and Electronics Engineers standards 1547 and 1547.1, and to study the implementation of a non-export option. Smart inverters can enable a more efficient integration of distributed energy resources, and they convert the direct current output of solar panels into the alternating current that can be used by consumers in their homes and businesses. The Institute of Electrical and Electronics Engineers standard 1547 is intended to provide a set of criteria and requirements for the interconnection of distributed generation resources into the power grid.

Staff with the Idaho Public Utilities Commission will host the online, live-streamed public workshop on Tuesday, Nov. 10, from 1:00 p.m. to 5:00 p.m. (MST), or until the parties involved in the case decide to adjourn. Commission staff and Idaho Power representatives will be available to answer questions during the workshop. Those interested in attending the online workshop can do so in two ways. To participate online, please visit [idahogov.webex.com](https://idahogov.webex.com), and enter the number 133 559 2825. At the next window, enter your name, e-mail address and the password TuesdayWorkshop. To participate by phone, please dial 1-415-655-0001 and enter access code 133 559 2825.

The workshop is intended to provide the parties an opportunity to discuss the issues in the case. Members of the public with or without technical expertise related to the subject matter are invited to participate.

To learn more about Idaho Power's application, please visit: <https://puc.idaho.gov/case/Details/6541>.

## Rocky Mountain Power

### Rocky Mountain Power files application to change its net metering program

On April 23, 2020, the Idaho Public Utilities Commission received a Supplemental Application from Rocky Mountain Power to change how its customers who participate in its net metering program are compensated. The original application was filed June 14, 2019.

In its Supplemental Application, Rocky Mountain Power is asking for permission to close its current net metering program (Schedule 135) to new participants as of July 31, 2020. Customers on Schedule 135 would remain on that schedule, sometimes referred to as "grandfathering", until July 31, 2030 and receive the retail rate for compensation. New customers who apply to participate in the net metering program after July 31, 2020, would do so under a new schedule, Schedule 136. This schedule would compensate customers for exported energy at an export credit rate, rather than the retail rate. Rocky Mountain Power estimates that the current retail rate paid to Schedule 135 customers is about 12.5 cents per kilowatt-hour and the proposed export credit rate for Schedule 136 is 2.4 cents per kilowatt-hour.

Rocky Mountain Power proposes to use three components to determine its export credit rate for customers: an energy component, an avoided line losses component, and an integration cost component. Rocky Mountain Power proposes to use the surrogate avoided resource (SAR) method, with on-peak and off-peak pricing, to

determine the energy value in the export credit rate. The method is used by the public utilities commission to calculate published avoided cost prices under the Public Utility Regulatory Policies Act of 1978. This method reflects the costs the utility would incur if it were to build, operate and maintain a natural gas fired combined cycle combustion turbine. Based on 2019 data and the proposed surrogate avoided resource rates set to take effect on June 1, 2020, Rocky Mountain Power calculates the average value of the SAR-based energy component at \$22.34 per MWh. Rocky Mountain Power calculates the avoided line losses to be \$3.36 per MWh and integration costs to be \$0.25 per MWh.

Rocky Mountain Power also proposes to charge customers a one-time, non-refundable application fee of \$85 that would be submitted with customers' applications for on-site generation.

The changes to the net metering program, including the proposed export credit rate, will be analyzed by the company in a comprehensive study that examines the costs and benefits of net metering. The study process will be conducted in two steps: a study design phase and study review phase, with opportunities for public input during both phases.

The study design phase provides the parties and the public the opportunity to comment on the scope and methods of the comprehensive study. Following the study design phase, the commission will issue an order establishing the scope, and methods of the study. Rocky Mountain Power will then conduct the comprehensive study and file it with the commission. After Rocky Mountain files the study, the commission will issue an order establishing the procedure and schedule for the study review phase. The study review phase will allow parties and the public to comment on whether the study was conducted in a credible and fair manner and whether the study is sufficiently comprehensive to support a well-informed decision regarding Rocky Mountain Power's net metering program.

A workshop on the proposed changes to the net metering program will be held Thursday, June 18, from 6:00 p.m. to 9:00 p.m. The Commission updated its platform subscription to allow more participants and updated log-in and dial-in credentials to be more user friendly.

Those interested in participating can access the virtual public workshop two ways:

- 1) Online: go to [idahogov.webex.com](http://idahogov.webex.com) and enter the number 133 265 3962. At the next window, enter your name, e-mail address, and the password ThursdayMeeting.
- 2) By phone: dial 1-415-655-0001 and enter access code 133 265 3962.

The public workshop is intended to allow Commission Staff to discuss its preliminary views of the Supplemental Application, as reflected in Staff's preliminary comments filed on May 26, 2020, and to receive feedback from the public. See Order No. 34661.

Staff and other parties in this case filed preliminary comments in the study design phase and grandfathering on May 26, 2020. Revised comments are due July 16 and are intended to reflect public input gathered at the public workshop.

A telephonic public customer hearing will be held on Monday, June 22, at 3:00 p.m. (MDT). Those wishing to offer verbal comments or listen can dial 1-800-920-7487, and enter passcode 6674832#.

Those interested in submitting written comments on the study design or grandfathering have until July 16, 2020, to do so. Written comments must contain a statement of reasons supporting them, and those who would like a technical hearing on the study design phase must specifically request a technical hearing in their written comments.

Comments must contain the case number (PAC-E-19-08). Those wishing to submit comments electronically may do so by accessing the Commission's home page located at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click on the "Case Comment Form" under "Consumers" and complete the form using the case number, PAC-E-19-08.

## WATER

### Regulated water companies

Company	No. of Customers	Nearest city/town
Algoma Water Company	27	Sand Point
Aspen Creek	47	Fish Haven
Bitterroot Water System, Inc.	160	Coeur d'Alene
Capitol Water	2,941	Boise
CDS Stoneridge Utilities, LLC	375	Blanchard
Eagle Water Company, Inc.	4,177	Eagle
Falls Water Company, Inc.	6,193	Ammon
Gem State Water	400	Coeur d'Alene
Grouse Point Water	24	Kuna
Happy Valley Water System	27	Athol
Island Park Water Company	362	Island Park
Kootenai Heights Water System, Inc.	11	Kootenai
Mayfield Springs Water Company	101	Kuna
Morning View Water Company, Inc.	118	Rigby
Picabo Livestock Company	35	Picabo
Ponderosa Terrace Estates Water System, Inc.	22	Sandpoint
Resort Water Company	449	Sandpoint
Rocky Mountain Utility Company, Inc.	112	Rigby
Schweitzer Basin Water LLC	464	Sandpoint
Suez Water Idaho Inc.	97,029	Boise
Sunbeam Water Company	22	American Falls
Teton Water and Sewer Company, LLC	297	Driggs
Troy Hoffman Water Corporation	147	Coeur d'Alene

## **Public workshop, hearing will be held Jan. 8 on Morning View request to increase water rates**

State regulators with the Idaho Public Utilities Commission will hold a public workshop and hearing on Jan. 8 in Rigby regarding a request from the Morning View Water Company to increase its rates and charges for water service.

In June of 2019, Morning View applied to the commission to increase rates. The company said the increase was needed because of decreased water usage during the summer months, an inadequate rate of return established in the company's previous rate case and unanticipated expenses such as water testing and pipeline repairs.

The public workshop and hearing will be Wednesday, Jan. 8, in the upstairs meeting room (annex) at the Jefferson County Courthouse in Rigby, 210 Courthouse Way, Suite 240. The public workshop starts at 5:30 p.m. Morning View customers and others interested in the proposed rate changes will have the opportunity to ask commission staff about Morning View's application to increase rates and what staff recommends. Representatives from Morning View also will be available.

The public hearing starts at 7:00 p.m. Commissioners with the PUC will take testimony from those wishing to submit verbal comments.

Written comments are due Wednesday, Jan. 8. Comments should contain Case No. MNV-W-19-01 and this text: "In the Matter of Morning View Water Company's Application for Authority to Increase its Rates and Charges for Water Service in Idaho." Comments can be mailed to: Commission Secretary, Idaho Public Utilities Commission, P.O. Box 83720, Boise, ID 83720-0074. The commission's address for express mail is: 11331 W. Chinden Boulevard, Building 8, Suite 201-A, Boise, ID 83714. Comments also should be mailed to Nolan Gneiting, Morning View Water Company, P.O. Box 598, Rigby, ID 83442, or emailed to [morningviewwater@gmail.com](mailto:morningviewwater@gmail.com). Comments also can be e-mailed to the Idaho Public Utilities Commission. Please visit [www.puc.idaho.gov](http://www.puc.idaho.gov) and click on the "Consumers" tab, then click on the "Utility Case Comment or Question Form" and complete the comment form using case number MNV-W-19-01.

For additional information on Morning View's application, please visit [www.puc.idaho.gov](http://www.puc.idaho.gov) and click on the Open Cases link underneath the Water heading. Scroll down to MNV-W-19-01.

## TELECOMMUNICATIONS

### Regulated telecommunications companies

<b>Company</b>	<b>Location</b>
<b>Albion Telephone Corp.</b>	Albion
<b>Cambridge Telephone Co.</b>	Cambridge
<b>CenturyLink*</b>	Boise
<b>CenturyTel of Idaho, Inc.*</b>	Salt Lake City, UT
<b>CenturyTel of the Gem State*</b>	Salt Lake City, UT
<b>Citizens Telecommunications Company of Idaho*</b>	Beaverton, OR
<b>Columbine, dba Silver Star Communications</b>	Freedom, WY
<b>Direct Communications Rockland, Inc.</b>	Rockland
<b>Fremont Telecom, Inc.</b>	Missoula, MT
<b>Frontier Communications Northwest, Inc.*</b>	Beaverton, OR
<b>Inland Telephone Co.</b>	Roslyn, WA
<b>Midvale Telephone Company</b>	Midvale
<b>Oregon-Idaho Utilities, Inc.</b>	Nampa
<b>Pine Telephone System, Inc.</b>	Halfway, OR
<b>Potlach Telephone Company*</b>	Kendrick
<b>Rural Telephone Company</b>	Glenns Ferry

\* These companies are no longer rate regulated; however, they are still regulated for customer service.



## TELECOMMUNICATIONS CASES

### Commission raises TRS surcharge

The Idaho Public Utilities Commission has approved the 2019 reports and this year's budgets for the state's Telecommunications Relay Service and the Idaho Telecommunications Service Assistance Program.

The Telecommunications Relay Service (TRS) program allows those who are hearing, or speech impaired, to participate in telephone communications "in a manner functionally equivalent to that of individuals without hearing or speech impairments." The Idaho TRS service provider is Hamilton Telecommunications. Hamilton operates the relay center where verbal conversations are converted or "relayed" to text-type and vice versa. The relay center also provides speech-to-speech, Spanish-to-Spanish, video, and Internet relay services.

The program is supported by assessments on local telephone (residential and business) lines and on billed intrastate long-distance minutes.

The service's report for 2019 offers information on the amount of calls handled in minutes, expenses, and information on revenues and allocations. In addition to approving the report for 2019 and the budget for 2020, the commission approved an increase in the charges the relay service relies on in order to operate. The line charge will be raised from \$0.02 cents per line to \$0.03 cents, and the MTS/WATS minute rate from \$0.0002 per minute to \$0.0008 per minute effective May 1, 2020.

The increase in the line charge and MTS/WATS minute rate does not apply to cell phone or Internet service. The surcharge is paid by telephone companies. Idaho Code does not allow companies to pass the surcharge on to their customers.

### Commission waives ITSAP surcharge for 4th straight year

State regulators in April suspended a surcharge that helps Idahoans afford basic telephone service.

The decision marks the third consecutive year the Commission has waived the surcharge that funds the Idaho Telecommunications Service Assistance Program (ITSAP) as the number of recipients and contributors continues to decline. The ITSAP provides a monthly discount of \$2.50 to qualified applicants, for landline and cell phone service. The program is funded through a small surcharge on all phone lines - business, residential and wireless.

The Commission determines the surcharge and the Idaho Department of Health and Welfare administers the program.

As the number of Idahoans receiving financial assistance from ITSAP has declined, so has the amount of the surcharge, from 13 cents per month for each line in 1998, to 7 cents in 2013, and 3 cents in 2014.

In May 2017, the Commission suspended the surcharge for the 2017 budget year after the number of ITSAP recipients dropped 42 percent from the previous year.

The trend continued over the past year as the number of ITSAP recipients dropped by 18 percent.

There was also a decline in the number of land lines in 2019 - 12 percent from the previous year - and a 2-percent drop in the number of wireless phone lines.

The ITSAP administrator said the number of wireless lines reported for 2019 is likely not accurate, however, because some companies did not provide counts due to the suspension of the surcharge.

As a result, the Commission's order suspending the surcharge for the 2020 budget year calls for the ITSAP administrator to notify telecommunications companies of their reporting requirements.

## **USF Surcharge Unchanged**

Faced with declining revenue as Idahoans increasingly abandon land line phone service, in August 2017 the Commission raised a monthly surcharge on land lines and questioned the sustainability of the Idaho Universal Service Fund (IUSF).

The fund was established in 1988 to ensure all Idahoans have access to local telephone service at reasonable rates.

This is accomplished by taking revenue collected from a surcharge on land-line users and long-distance call minutes, and distributing it to telecommunications carriers that meet eligibility requirements.

Over the last several years, however, revenue has been insufficient to cover distributions. The trend prompted the Commission to raise the monthly surcharge on each residential line to 25 cents, up from 12 cents, and to 44 cents for each business line, up from 20 cents.

The change took effect Sept. 1, 2017.

The cost for each minute of a long-distance call also increased, from ½ cent per minute to 0.9 cents per minute.

The changes have allowed the fund to meet its obligations for the 2019 fiscal year, and has momentarily stabilized the fund.

The Commission made a minor change last year to the rates associated with the IUSF. The Commission lowered the per minute surcharge of a long-distance call from 0.9 cents to 0.7 cents and determined that the IUSF surcharges should be maintained at 25 cents per residential line, and 44 cents per business line. This year the long-distance surcharge was maintained at 0.7 cents per minute.

The Idaho Public Utilities Commission establishes the surcharges each fall, and they remain in effect for a 12-month period beginning Oct. 1.

The IUSF was created through the Idaho Telecommunications Act of 1988 in order to ensure all Idahoans have access to phone service at reasonable rates. Disbursements from the fund allow rural telephone companies to keep their rates at no more than 25 percent above rates in more urban areas.

## NATURAL GAS

### Consumption increased and prices remained low in FY2020<sup>1</sup>

In Idaho, natural gas is supplied to customers by Avista Corporation, Dominion Questar Gas, and Intermountain Gas Company. Idaho is fortunate to be located between two large natural gas producing basins: The Rocky Mountain Basin (Rockies) and the Western Canadian Sedimentary Basin (WCSB).

These basins are connected through the Williams Northwest Pipeline and TransCanada's GTN pipelines, allowing the utility companies serving Idaho to take advantage of capacity and of pricing at both basins.

### Individual Idaho Gas Utility Profiles

FY 2020 Statistics	Total	Residential	Commercial	Industrial	Transportation <sup>2</sup>
<b><i>Avista Corporation</i></b>					
<b>Customers</b>	<b>86,917</b>	<b>77,662</b>	<b>9,157</b>	<b>89</b>	<b>9</b>
% of Total	100%	89.35%	10.54%	0.10%	0.01%
Therms (millions)	157.94	55.88	31.22	2.57	68.27
% of Total	100%	35.38%	19.77%	1.63%	43.23%
Revenue (millions)	\$65.0	\$45.03	\$18.26	\$1.13	\$0.57
% of Total	100%	69.29%	28.10%	1.74%	0.88%
<b><i>Dominion Questar Gas</i></b>					
<b>Customers</b>	<b>2,316</b>	<b>2,058</b>	<b>256</b>	<b>0</b>	<b>2</b>
% of Total	100%	88.86%	11.05%	N/A	0.09%
Therms (millions)	0.28	0.1555	0.1083	N/A	0.0151
% of Total	100%	55.74%	38.81%	N/A	5.45%
Revenue (millions)	\$1.9	\$1.21	\$0.68	N/A	\$0.02
% of Total	100%	63.24%	35.78%	N/A	0.97%
<b><i>Intermountain Gas</i></b>					
<b>Customers</b>	<b>380,788</b>	<b>346,612</b>	<b>34,042</b>	<b>28</b>	<b>106</b>
% of Total	100%	91.02%	8.94%	0.01%	0.03%
Therms (millions)	769.1	261	129	10	369
% of Total	100%	33.89%	16.78%	1.29%	48.04%
Revenue (millions)	\$237.08	\$157.33	\$66.82	\$3.27	\$9.66
% of Total	100%	66.36%	28.18%	1.38%	4.08%

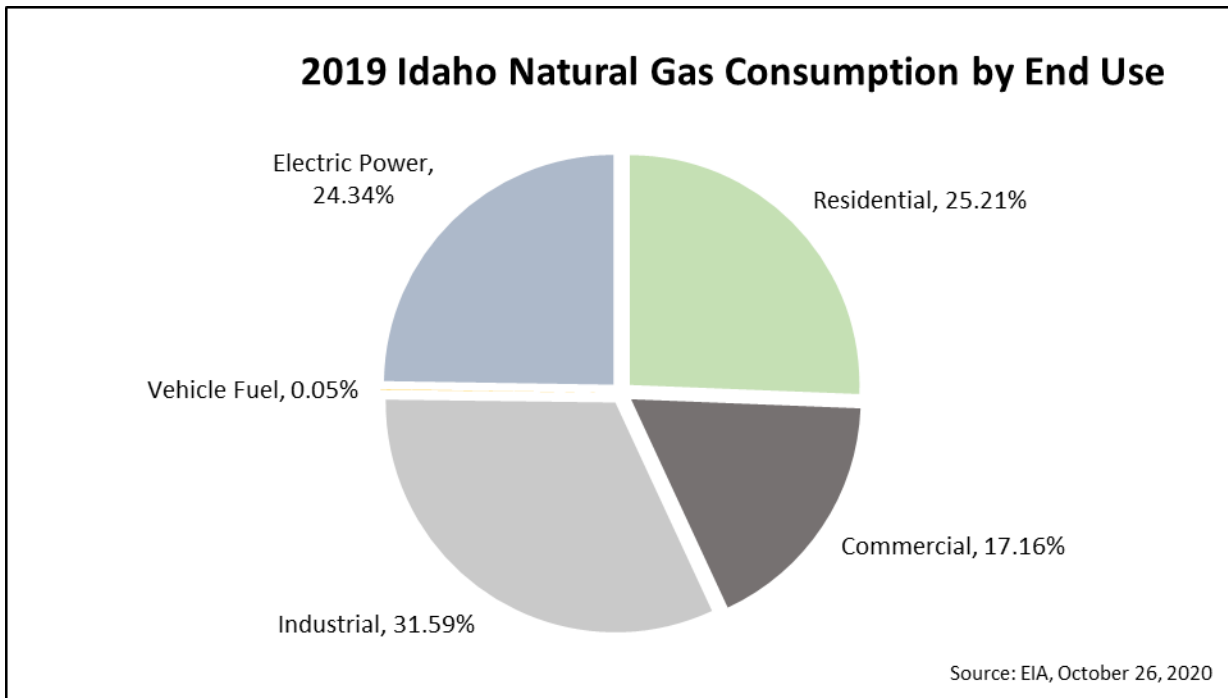
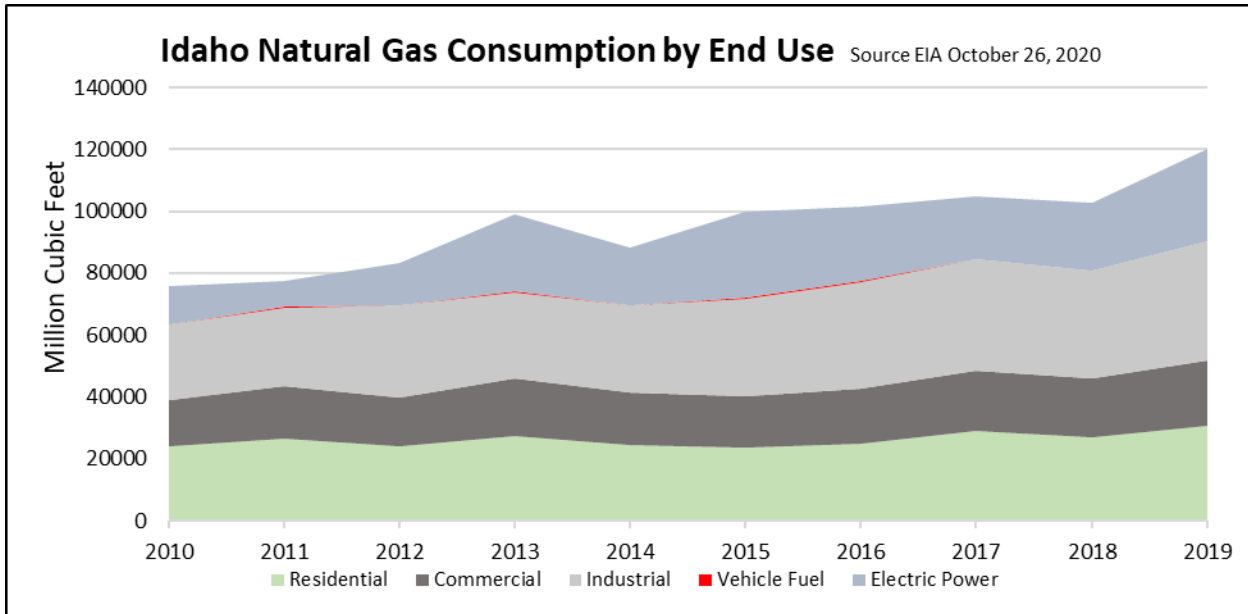
<sup>1</sup> The Idaho Public Utilities Commission's fiscal year is July 1<sup>st</sup> through June 30<sup>th</sup>.

<sup>2</sup> Transportation is nonutility owned gas transported for another party under contractual agreement.

## NATURAL GAS

### Consumption

In 2019, overall consumption of natural gas in Idaho increased approximately 15 percent. Residential and commercial segments consumed roughly 10 percent more natural gas than the previous year. Industrial consumption increased just under 10 percent and consumption of gas for electric generation increased over 25 percent. Use of natural gas as a vehicle fuel increased slightly over 5 percent.



## NATURAL GAS

### Demand

The Northwest Gas Association (NWGA) forecasts demand for natural gas in the Northwest to grow at a rate of approximately 1.0% per year.<sup>3</sup> Forecast demand growth in the residential and commercial sectors is slightly less, while industrial demand growth has dropped by half (from 0.5 to 0.2 percent/yr.). Demand for natural gas to generate electricity is forecast to grow slightly, mostly when coal-fired generation plants are retired in the region.

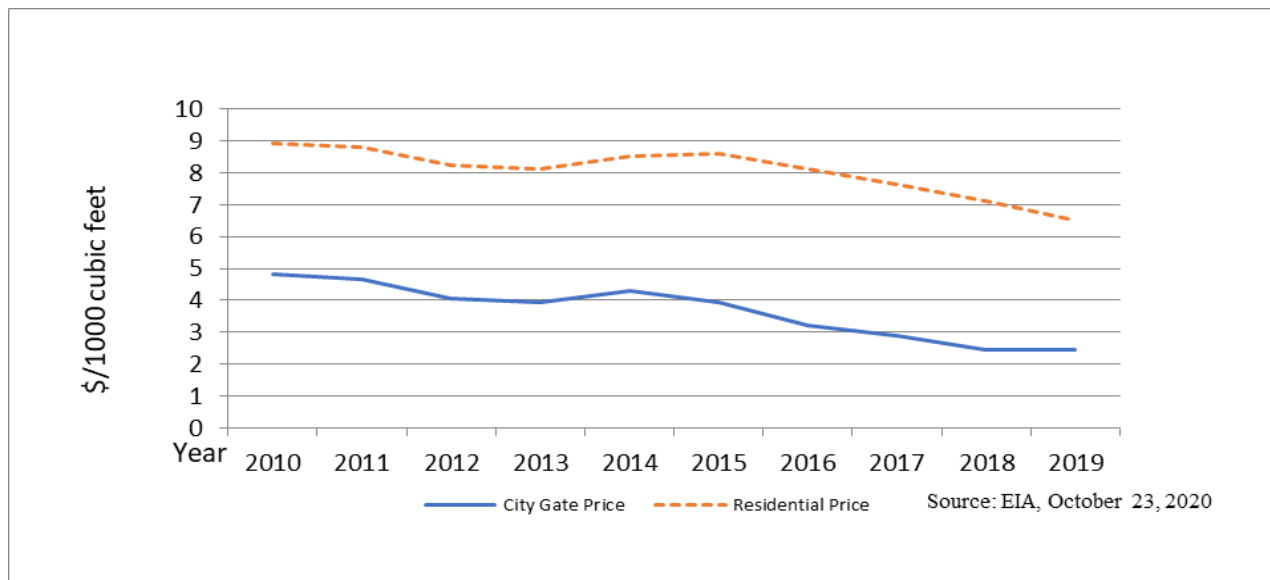
Several factors could impact demand for natural gas:

- Retirement of coal fired generation and increased use for generating electricity.
- LNG and petrochemical production and exports.
- Energy policies, regulations, and legislation.

### Prices

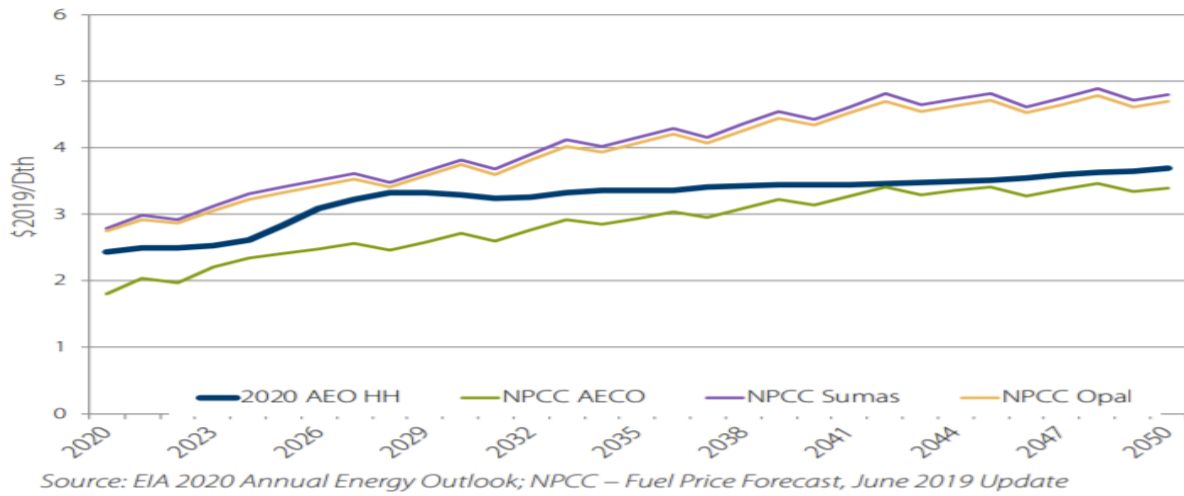
Over the last decade, the commodity price of natural gas has continued to decline (see Figure 1). The Northwest Power and Conservation Council (NPCC) forecasts show that commodity prices are expected to remain below \$5/Dth through 2050 (see Figure 2) at hubs where the Pacific Northwest sources its gas.

**FIGURE 1. Idaho Historical Natural Gas Price**



<sup>3</sup> Northwest Gas Association 2020 Pacific Northwest Gas Market Outlook

**FIGURE 2. Pacific Northwest Natural Gas Price Forecast Comparisons**

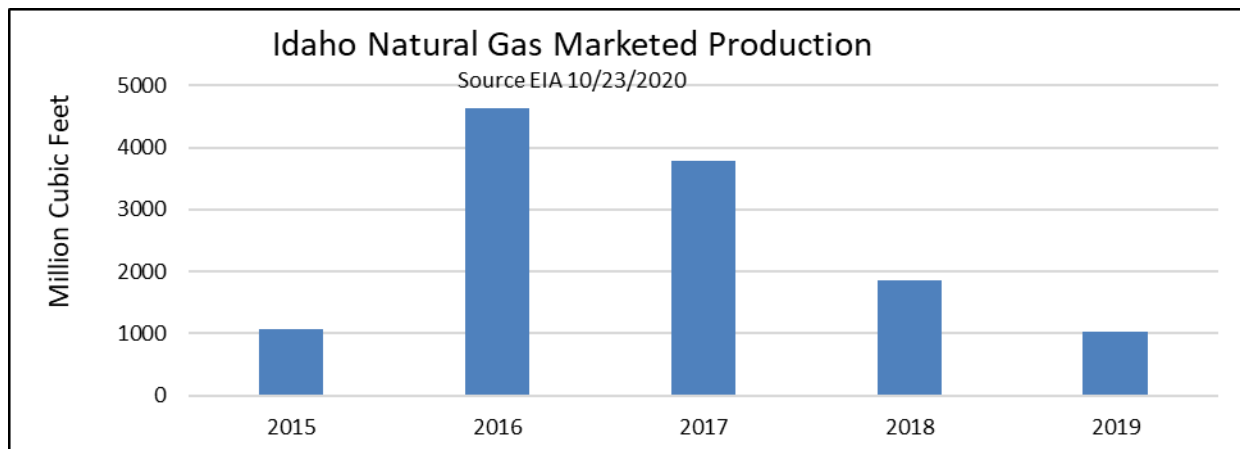


## Production

There was approximately 1,033 Mcf of natural gas produced by Snake River Oil and Gas Group in Idaho in 2019.<sup>4</sup> In prior years, gas was produced by Alta Mesa/High Mesa. Snake River Oil and Gas Group purchased Alta Mesa/High Mesa wells and production facilities in December 2019.

As of January 2020, Snake River Oil and Gas Group operations include:

- Processing facility located at Willow Creek near Payette, Idaho.
- Six wells capable of producing natural gas, condensate, oil, and other liquids in the Willow Creek drainage.
  - Four wells including the state’s only oil well have been shut-in and are no longer producing.
  - Two wells drilled in Fruitland are shut-in waiting for construction of connecting pipelines to the Willow Creek processing facility.



<sup>4</sup> Source EIA Natural Gas Summary [https://www.eia.gov/dnav/ng/ng\\_sum\\_lsum\\_dcua\\_SID\\_a.htm](https://www.eia.gov/dnav/ng/ng_sum_lsum_dcua_SID_a.htm)

## Renewable Natural Gas (RNG)

RNG is pipeline-quality biomethane produced from biogas. Biogas is the mixture of gases produced by the breakdown of organic matter in the absence of oxygen (anaerobically), primarily consisting of methane and carbon dioxide. It can be produced from raw materials such as agricultural waste, manure, municipal waste, plant material, sewage, or food waste. It is interchangeable with natural gas and compatible with the U.S. natural gas infrastructure. In the past, RNG projects in the state consumed gas produced in their operations or used the gas to generate electricity. Recently, a number of biomass operations in the state have pursued development of capabilities to produce sufficient volumes of RNG for export onto pipeline infrastructure. On a per therm basis, RNG is more expensive to produce than traditional natural gas. Given current state and federal government policies and programs, some RNG projects have the potential to achieve profitability.

Natural gas utility companies in the state are monitoring RNG production activity and government policies to participate in development of this resource.

## Summary

Idaho residential, commercial, industrial, and transportation users of natural gas continue to benefit from low natural gas prices and plentiful supply.

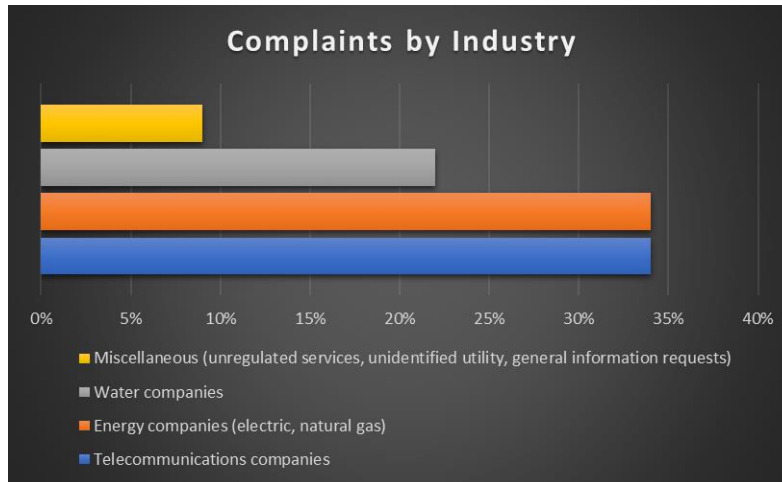
**-by Kevin Keyt, IPUC Staff Analyst**

## CONSUMER ASSISTANCE

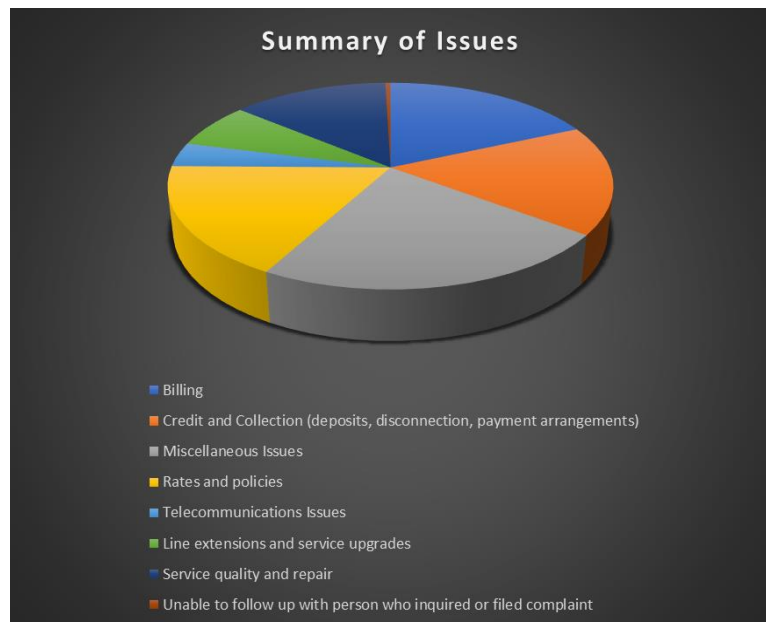
### Commission issues annual consumer assistance report

The Consumer Assistance staff responded to 1,038 complaints and inquiries in fiscal year 2020, 98 percent of which were from residential customers.

The chart below illustrates the complaints and inquiries by industry.



The chart below summarizes the types of issues reported to the Commission. While the Consumer Assistance staff is able to respond to most inquiries without extensive research, about 75 percent of complaints required investigation by the staff. Approximately 52 percent of investigations resulted in reversal or modification of the utility’s original action. Payment terms were negotiated in 11 percent of the investigations.





## REGULATING IDAHO'S RAILROADS

The Commission conducts inspections of Idaho's railroads to determine compliance with state and federal laws, rules and regulations concerning the transportation of hazardous materials, locomotive cab safety and sanitation rules, and railroad/highway grade crossings.

Hazardous material inspections are conducted in rail yards.

In 1994, Idaho was invited to participate in the Federal Railroad Administration's State Participation Program. The commission has a State Program Manager and one FRA certified hazardous material inspector.

The commission inspects railroad-highway grade crossings where incidents occur, investigates citizen complaints of unsafe or rough crossings and conducts railroad-crossing surveys.

The commission also plays a role when rail lines are abandoned.

More than 900 miles of railroad track in Idaho have been abandoned since 1976.

Federal law governs rail line abandonments, and the federal Surface Transportation Board (STB), formerly the Interstate Commerce Commission, decides the final outcome of abandonment applications.

Under Idaho law, however, after a railroad files its federal notice of intent to abandon, the Idaho commission must determine whether the proposed abandonment would adversely affect the public interest. The commission then reports its findings to the STB.

In reaching a conclusion, the Commission considers whether abandonment would adversely affect the service area, impair market access or access of Idaho communities to vital goods and services, and whether the line has a potential for profitability.

### Railroad Activity Summary

Rail Safety Category	Totals
Idaho Railroad Track Miles	1710/996 Class I *
Hazmat Inspections	332
Rail Cars inspected	16,455
Railcar Violations	24
Railcar Defects	637
Railroad Grade Crossings Inspected	170
Crossing Accidents Investigated	2
Crossing Complaints Investigated	3
Crossing Complaints Validated	7
Locomotives Inspected	3
Locomotive defects	0

\*Source: ITD `(2017)

## REGULATING IDAHO'S PIPELINES

*Idaho Code 61-515* empowers the Commission to require every utility to “maintain and operate its line, plant, system, equipment, apparatus, and premises in such a manner that promote and safeguard the health and safety of its employees, customers and the public.”

Pursuant to 49 U.S.C. Section 60105, Chapter 601, the Commission is a certified partner with the U.S. Department of Transportation Pipeline Hazardous Material Safety Administration.

The federal/state partnership provides the statutory basis for the pipeline safety program and establishes a framework for promoting pipeline safety through federal delegation to the states for all or part of the responsibility for intrastate natural gas pipeline facilities under annual certification.

Under the certification, Idaho assumes inspection and enforcement responsibility with respect to more than 8,300 miles of intrastate natural gas pipelines over which it has jurisdiction under state law. With the certification, Idaho may adopt additional or more stringent standards for intrastate pipeline facilities provided the standards are compatible with federal regulations. The Idaho Commission has a state program manager and three trained and certified pipeline safety inspectors who conduct records audits and field installed equipment inspections on all intrastate natural gas pipeline operators under its jurisdiction.

### Pipeline Summary Activity

Regulating Idaho's Pipelines	
Standard inspection days	146.5
Compliance inspection days	4
Damage prevention inspection days	7.5
Construction inspection days	125
Operator Qualification inspection days	5
Integrity Management Program inspection days	10.5
Incident/Accident inspection days	0
Operator Training inspection days	28

Compliance Enforcement Actions	
Notice of probable violation	17
Notice of amendment	0
Warning letters	0

This report satisfies Idaho Code 61-214; this is a “full and complete account” of the most significant cases to come before the commission during the 2020 calendar year. (The financial report on Page 7 covers Fiscal Year July 1, 2016 through June 30, 2020.) Anyone with access to the Internet may also review the commission’s agendas, notices, case information and decisions by visiting the IPUC’s Web site at: [www.puc.idaho.gov](http://www.puc.idaho.gov). Commission records are also available for public inspection at the commission’s Boise office, 11331 W. Chinden Blvd., Monday through Friday, 8 a.m. to 5 p.m.

The Idaho Public Utilities Commission, as outlined in its Strategic Plan, serves the citizens and utilities of Idaho by determining fair, just and reasonable rates for utility commodities and services that are to be delivered safely, reliably and efficiently. During the period covered by this report, the commission also had responsibility for ensuring all rail services operating within Idaho do so in a safe and efficient manner. The commission also has a pipeline safety section that oversees the safe operation of the intrastate natural gas pipelines and facilities in Idaho.

**Costs associated with this publication are available from the Idaho Public Utilities Commission in accordance with Section 60-202, Idaho Code, PUC 12-100-2019.**

