

DECISION MEMORANDUM

TO: COMMISSIONER KJELLANDER
COMMISSIONER REDFORD
COMMISSIONER SMITH
COMMISSION SECRETARY
COMMISSION STAFF

FROM: KRISTINE SASSER
DEPUTY ATTORNEY GENERAL

DATE: APRIL 17, 2014

SUBJECT: AVISTA'S APPLICATION FOR PROPOSED REVISIONS TO ITS
TARIFF SCHEDULE 62, CASE NO. AVU-E-14-03

On March 28, 2014, Avista filed an Application proposing revisions to its Tariff Schedule 62, Cogeneration and Small Power Production Schedule. Avista asks that its Application be processed by Modified Procedure. The Company also requests that its proposed changes be effective as of May 5, 2014.

BACKGROUND

Avista's Application is submitted in response to workshops held between parties to the GNR-E-11-03 case. The Commission's final Order in GNR-E-11-03 noted that multiple parties to the case submitted proposals regarding Commission approval of contracting procedures and rules for utilities and QFs. The Commission stated that a fair and consistent set of rules "would reduce confusion and provide more certainty regarding the expectations of all contracting parties." Order No. 32697 at 48. The Commission directed the parties to participate in workshops in order "to begin to form a structure for fair and reasonable contracting procedures and rules." *Id.* The parties collaborated and, ultimately, submitted a draft tariff to the Commission that utilities could use as a model in the creation of a utility-specific tariff.

THE APPLICATION

Avista maintains that its proposed tariff revisions provide procedures to be used by Avista and QF developers in negotiating and entering into power purchase agreements for the sale of the electrical output of QFs to Avista under PURPA at avoided cost rates. Avista asserts that the proposed procedures generally (1) detail the information QF developers are to provide to

the Company; and (2) provide timelines for both QF developers and Avista to follow in the process for negotiating and entering into a power purchase agreement.

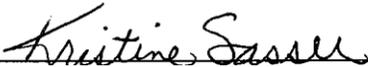
STAFF RECOMMENDATION

Staff has reviewed Avista's Application and recommends that the matter be processed by Modified Procedure with a 21-day comment period. Staff further recommends that the Company's proposed effective date of May 5, 2014, be suspended.

COMMISSION DECISION

Does the Commission wish to issue a Notice of Application setting a 21-day comment deadline?

Does the Commission wish to suspend the proposed effective date of May 5, 2014, for a period of 30 days plus five (5) months pursuant to *Idaho Code* § 61-622 and IDAPA 31.01.01.123.03?



Kristine A. Sasser
Deputy Attorney General

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