



# SNAKE RIVER ALLIANCE

IDAHO'S NUCLEAR WATCHDOG & CLEAN ENERGY ADVOCATE

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UTILITIES COMMISSION

September 15, 2014

To: Idaho Public Utilities Commission

From: Ken Miller, Clean Energy Program Director, Snake River Alliance

Re: Snake River Alliance Comments In the Matter of Avista Corporation's Application to Adjust Its Annual Power Cost Adjustment (PCA) Rates, Case No. AVU-E-14-06.

On behalf of our members throughout Avista Utilities' Idaho service area and pursuant to Commission Order No. 33095, the Snake River Alliance appreciates the opportunity to provide its comments on Avista's Application to Adjust Its Annual Power Cost Adjustment Rates, filed with the Commission on July 30, 2014.

These comments address the Alliance's ongoing concerns with the operation of the Colstrip Unit 4 and how Colstrip Unit 4's history of prolonged outages continues to force additional, unnecessary costs on Avista's customers. The Alliance does not address the other primary components in Avista's increased power supply costs over the last 12 months: The net expense of Palouse Wind flowing through the PCA as a surcharge deferral rather than being included in base rates, and the change in Avista's contract with Clearwater Paper that allows the company to generate into its own load rather than selling its generation to the Company.

If approved by the Commission, Avista's PCA application would result in an increase in monthly residential bills by an average of \$3.76 per month, from \$81.88 to \$85.64, or an increase of 4.59 percent. As can be seen from comments already submitted to the Commission, Avista customers are experiencing worsening "rate shock" that will only be exacerbated by this PCA request to extract from them more than \$4 million to compensate for an increasingly unreliable coal-fired generation plant.

## **Avista and The Colstrip Generating Station**

The Colstrip Generating Station, a mine-mouth coal-fired power plant complex located about 120 miles southeast of Billings, MT, is comprised of four units that went online between 1975 and 1986. Avista has a 15 percent ownership stake in Unit 3 (740MW, online date of 1984) and Unit 4 (740MW, online date of 1986). Other utility owners of the various Colstrip units include Northwestern Energy, PacifiCorp, Portland General Electric, PPL Montana, and Puget Sound Energy.

The Colstrip Generation Station is also the subject of a federal lawsuit filed by the Sierra Club and Montana Environmental Information Center over the status of required environmental controls.