

Avista Corp.  
1411 East Mission P.O. Box 3727  
Spokane, Washington 99220-0500  
Telephone 509-489-0500  
Toll Free 800-727-9170



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IDAHO PUBLIC  
UTILITIES COMMISSION

VIA OVERNIGHT MAIL

July 30, 2015

Ms. Jean D. Jewell, Commission Secretary  
Idaho Public Utilities Commission  
472 W. Washington St.  
Boise, ID 83702-5983

**RE: Case No. AVU-E-15-07  
Power Cost Adjustment (PCA) Annual Filing of Avista Corporation**

Dear Ms. Jewell:

Enclosed for filing with the Commission is Avista's Power Cost Adjustment (PCA) annual filing. The filing consists of an original and seven copies of Avista's Application and nine copies of prefiled testimony and exhibits. Also enclosed are three copies of supporting workpapers and documentation. A certificate of service, three copies of a customer notice, and three copies of a press release are also enclosed. A computer readable copy of the testimonies, exhibits, and workpapers, required under Rule 231.05, are included on an enclosed compact disc.

The Company is requesting that the Commission issue an order approving recovery of power costs deferred for the period July 1, 2014 through June 30, 2015, and approving a PCA rebate of 0.032¢ per kilowatt-hour to be effective October 1, 2015. Under the Company's proposal, the PCA rate for all customers, including residential customers, would decrease from a surcharge rate of 0.252¢ per kilowatt-hour to a rebate rate of 0.032¢ per kilowatt-hour, or a decrease of 0.284¢ per kilowatt-hour. Since PCA rate adjustments are spread on a uniform cents per kilowatt-hour basis, the resulting percentage decreases vary by rate schedule. The overall decrease is 3.5%.

For an average residential customer using 929 kilowatt-hours per month, the monthly decrease will be \$2.64. Under present rates, a residential bill for 929 kilowatt-hours amounts to \$85.24. With the proposed rebate in place the monthly bill would be \$82.60, or 3.1% less than the bill under present rates.

Please note that Avista has deemed certain supporting documents to be classified as CONFIDENTIAL, rendering these documents exempt from public inspection, examination and copying pursuant to Sections 9-340A through 9-340F of the Idaho Code. Avista believes that the identified CONFIDENTIAL supporting documents contain valuable commercial information.

As such, Avista is submitting a separate electronic CD containing the electronic form of the CONFIDENTIAL supporting documents, in compliance with Rule 067.02.b.

Please direct any questions regarding this filing to Annette Brandon at (509) 495-4324 or Patrick Ehrbar at (509) 495-4620.

Sincerely,

A handwritten signature in black ink, appearing to read "D J Meyer", with a horizontal line extending to the right.

David J. Meyer  
Vice President and Chief Counsel for Regulatory and Governmental Affairs

Enclosures

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have served Avista Corporation's Power Cost Adjustment (PCA) Annual Rate Adjustment Filing by mailing a copy thereof, postage prepaid, to the following:

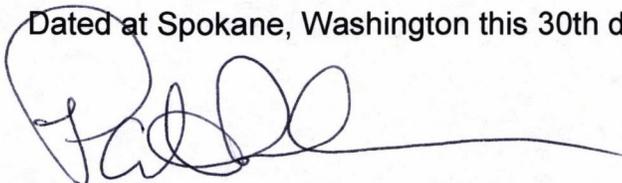
Ms Jean D Jewell, Secretary  
Idaho Public Utilities Commission  
472 W. Washington St.  
Boise, ID 83702-5983

Marv Lewallen  
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(Excluding Confidential Information)

Dean J. Miller  
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P.O.Box 2564  
Boise, ID 83701  
Email: [joe@mcdevitt-miller.com](mailto:joe@mcdevitt-miller.com)  
(Excluding Confidential Information)

Larry A Crowley  
The Energy Strategies Institute Inc  
5549 S. Cliffsedge Ave  
Boise, ID 83716  
Email: [crowlyla@aol.com](mailto:crowlyla@aol.com)  
(Excluding Confidential Information)

Dated at Spokane, Washington this 30th day of July 2015.



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Patrick Ehrbar  
Manager, Rates & Tariffs

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IDAHO PUBLIC UTILITIES COMMISSION

1 DAVID J. MEYER  
2 VICE PRESIDENT AND CHIEF COUNSEL FOR  
3 REGULATORY AND GOVERNMENTAL AFFAIRS  
4 AVISTA CORPORATION  
5 1411 E. MISSION AVENUE  
6 P. O. BOX 3727  
7 SPOKANE, WASHINGTON 99220  
8 PHONE: (509) 495-4316, FAX: (509) 495-8851

9

10 BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

11 IN THE MATTER OF THE POWER COST )  
12 ADJUSTMENT (PCA) ANNUAL RATE ) CASE NO. AVU-E-15-07  
13 ADJUSTMENT FILING OF AVISTA ) APPLICATION OF AVISTA  
14 CORPORATION ) CORPORATION

15  
16

17 I. INTRODUCTION

18 Avista Corporation, doing business as Avista Utilities  
19 (hereinafter Avista or Company), at 1411 East Mission  
20 Avenue, Spokane, Washington, respectfully files its Power  
21 Cost Adjustment (PCA) annual rate adjustment filing in the  
22 above referenced case. The Company requests the Commission  
23 issue an order approving the level of power costs deferred  
24 in the rebate direction for the period July 1, 2014 through  
25 June 30, 2015, and approving a PCA rebate rate of 0.032¢ per  
26 kilowatt-hour to be effective October 1, 2015. The Company  
27 requests that this filing be processed under the  
28 Commission's Modified Procedure Rules.



1 mechanism to a single annual PCA rate adjustment filing  
2 requirement.

3       The Commission also approved a change in the method of  
4 PCA deferral recovery from a uniform percentage basis to a  
5 uniform cents per kilowatt-hour basis effective with the  
6 October 1, 2007 PCA rate change. By Order No. 32206 in Case  
7 No. GNR-E-10-03 dated March 15, 2011, the Commission  
8 modified the retail revenue credit methodology and approved  
9 a Load Change Adjustment Rate based on the energy classified  
10 portion of embedded production revenue requirement effective  
11 April 1, 2011.

12       The Commission approved the following procedural  
13 schedule for administering the annual PCA filings:

14	August 1	Company filing for prior July - June
15		deferral period
16	September 1	Review and comments by Staff and other
17		interested parties
18	October 1	Commission Order and effective date of
19		PCA rate adjustment

20       The present PCA rebate was made effective on October 1,  
21 2014. On July 31, 2014, in Case No. AVU-E-14-06, Avista  
22 filed its annual PCA report for the period July 1, 2013  
23 through June 30, 2014 and requested a PCA surcharge rate of

1 0.252¢ per kilowatt-hour effective October 1, 2014. The  
2 Commission approved that proposal by Order No. 33140, dated  
3 September 30, 2014.

4

5 III. DEFERRALS - JULY 1, 2014 THROUGH JUNE 30, 2015

6 The amount of power cost deferrals for the period July  
7 1, 2014 through June 30, 2015 is shown below, as well as  
8 interest for the same period. Company witness Mr. Johnson's  
9 testimony provides an explanation of the factors causing the  
10 deferral entries for the period. Company witness Mr.  
11 Ehrbar's testimony addresses the BPA Settlement transfer and  
12 interest amount.

13	Deferrals (July 2014 - June 2015)	(\$821,579)
14	Transfer BPA Settlement	(382,725)
15	Interest <sup>1</sup>	1,700
16	Rebate Balance at June 30, 2015	<u>(\$1,202,604)</u>

17 Monthly reports have been filed with the Commission  
18 regarding actual PCA deferral entries to date. An additional  
19 copy of those reports for the months of July 2014 through  
20 June 2015 has been included with this filing and has also  
21 been provided to Clearwater Paper Corporation and Idaho  
22 Forest Group.

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<sup>1</sup> The PCA balance for the majority of the July 2014 through June 2015 time period was in the surcharge position. As such, interest was accrued in the surcharge direction, and was only partially offset by the monthly PCA rebate entries for March through June 2015. Therefore, net interest for the year was a surcharge even with an overall rebate balance.

1            IV. PROPOSED REBATE TO BE EFFECTIVE OCTOBER 1, 2015

2            The Company is proposing a uniform cents per kilowatt-  
3 hour PCA rebate rate of 0.032¢ to be effective October 1,  
4 2015. Attached as Exhibit "A" is a copy of the proposed  
5 tariff, Schedule 66 (Seventeenth Revision), which contains  
6 the proposed PCA rebate rate. Also included in Exhibit "A"  
7 is a tariff sheet that shows the proposed changes to  
8 Schedule 66 (Seventeenth Revision) by the use of strikeouts  
9 and underlining. Page 1 of Mr. Ehrbar's Exhibit No. PDE-1  
10 shows the calculation of the proposed rebate. The proposed  
11 rebate is designed to collect a) the deferrals for the  
12 period July 1, 2014 through June 30, 2015, b) recovery of  
13 the unamortized surcharge balance for the October 1, 2014 to  
14 September 30, 2015 rate period, and c) estimated interest to  
15 be recorded during the twelve months the rebate will be in  
16 effect (October 1, 2015 through September 30, 2016),

17            Since PCA rate changes are spread on a uniform cents  
18 per kilowatt-hour basis, the resulting percentage decreases  
19 vary by rate schedule. Page 1 of Mr. Ehrbar's Exhibit No.  
20 PDE-1 shows the effect of the proposed PCA rebate by rate  
21 schedule. The proposed rebate is 0.032¢ per kilowatt-hour,  
22 which is 0.0284¢ per kilowatt-hour less than the existing  
23 surcharge of 0.252¢ per kilowatt-hour. Column (f) on page 1

1 of Exhibit No. PDE-1 shows the percentage decrease by rate  
2 schedule. The overall decrease is 3.5%.

3 Residential customers using an average of 929 kilowatt-  
4 hours per month would see their monthly bills decrease from  
5 \$85.24 to \$82.60, a decrease of \$2.64 per month, or 3.1%.

6

7

**V. REQUEST FOR RELIEF**

8 The Company requests the Commission issue an order  
9 approving the level of power costs deferred in the rebate  
10 direction for the period July 1, 2014 through June 30, 2015,  
11 and approving a PCA rebate of 0.032¢ per kilowatt-hour to be  
12 effective October 1, 2015. The Company requests that the  
13 matter be processed under the Commission's Modified  
14 Procedure rules through the use of written comments.

15 Dated at Spokane, Washington this 30th day of July  
16 2015.

17

AVISTA CORPORATION

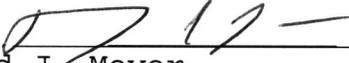
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19

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21

22

BY   
David J. Meyer  
Vice President and Chief Counsel for  
Regulatory and Governmental Affairs



Case No. AVU-E-15-\_\_

Exhibit "A"

AVISTA CORPORATION  
d/b/a Avista Utilities

**SCHEDULE 66**

**TEMPORARY POWER COST ADJUSTMENT - IDAHO**

**APPLICABLE:**

To Customers in the State of Idaho where the Company has electric service available. This Power Cost Adjustment shall be applicable to all retail customers for charges for electric energy sold. This Rate Adjustment is designed to recover or rebate a portion of the difference between actual and allowed net power supply costs.

**MONTHLY RATE:**

The energy charges of electric Schedules 1, 11, 12, 21, 22, 25, 25P, 31, 32, and 41-49 are to be decreased by 0.032¢ per kilowatt-hour in all blocks of these rate schedules.

**SPECIAL TERMS AND CONDITIONS:**

The rates set forth under this Schedule are subject to periodic review and adjustment by the IPUC based on the actual balance of deferred power costs.

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

The above Rate is subject to increases as set forth in Tax Adjustment Schedule 58.

Issued July 31, 2015

Effective October 1, 2015

Issued by Avista Utilities  
By

Kelly O. Norwood – Vice President, State & Federal Regulation



AVISTA CORPORATION  
d/b/a Avista Utilities

SCHEDULE 66

TEMPORARY POWER COST ADJUSTMENT - IDAHO

APPLICABLE:

To Customers in the State of Idaho where the Company has electric service available. This Power Cost Adjustment shall be applicable to all retail customers for charges for electric energy sold ~~and to the flat rate charges for Company owned or Customer owned Street Lighting and Area Lighting Service.~~ This Rate Adjustment is designed to recover or rebate a portion of the difference between actual and allowed net power supply costs.

MONTHLY RATE:

The energy charges of electric Schedules 1, 11, 12, 21, 22, 25, 25P, 31, ~~and 32, and 41-49~~ are to be ~~decreased~~ increased by 0.032¢ ~~0.252¢~~ per kilowatt-hour in all blocks of these rate schedules.

~~Flat rate charges for Company owned or Customer owned Street Lighting and Area Lighting Service, Schedules 41-49, are to be increased by 0.252¢ per kilowatt-hour times the monthly usages of the various light sizes and types on these schedules.~~

SPECIAL TERMS AND CONDITIONS:

The rates set forth under this Schedule are subject to periodic review and adjustment by the IPUC based on the actual balance of deferred power costs.

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

The above Rate is subject to increases as set forth in Tax Adjustment Schedule 58.

Issued July ~~31~~ 29, ~~2015~~ 2014

Effective October 1, ~~2015~~ 2014

Issued by Avista Utilities  
By

Kelly O. Norwood – Vice President, State & Federal Regulation