



Idaho Public Utilities Commission

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Case No. AVU-E-15-07

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www.puc.idaho.gov

Avista PCA results in 3.5% reduction for electric customers

BOISE (October 5, 2015) – The variable portion of Avista Utilities’ electric rates decreased by an average 3.5 percent effective October 1.

Avista electric rates are adjusted up or down every year on Oct. 1 depending on the previous year’s weather and market conditions and other variable factors. Because variable rate impacts cannot be predicted, rates are adjusted annually through the Power Cost Adjustment (PCA) mechanism to match what customers paid in the PCA account with actual expense. Avista has a separate application before the Idaho Public Utilities Commission for an increase in the fixed portion of customer rates – the base rate – which is yet to be decided.

On the gas side, Avista also has a variable cost tracker called the Purchased Gas Cost Adjustment (PGA) which is effective every Nov. 1. In this year’s PGA, Avista is seeking an average 14.5 percent decrease in rates. The company also has an application for an increase to the fixed portion of gas rates. As on the electric side, the proposed base rate increase has not yet been determined.

Avista’s variable power supply costs decreased by about \$1.2 million from July 1, 2014, through June 30, 2015. Most of that – \$820,000 – came from lower payments owed to Clearwater Paper, which owns a cogeneration plant that sells power to Avista. Another \$400,000 credited customers is the result of a settlement between electric utilities and the Bonneville Power Administration.

With the Oct. 1 adjustment, the PCA changes from a surcharge of 0.252 cents per kilowatt-hour to a rebate of 0.032 cents per kWh. For a residential customer who uses the company’s average of 929 kWh per month, the reduction is about \$2.64 per month.

A copy of the commission’s order and other documents related to this case is available on the commission’s website at www.puc.idaho.gov. Click on “Open Cases” under the “Electric” heading and scroll down to Case No. AVU-E-15-07.