

## DECISION MEMORANDUM

**TO:** COMMISSIONER KJELLANDER  
COMMISSIONER RAPER  
COMMISSIONER ANDERSON  
COMMISSION SECRETARY  
COMMISSION STAFF

**FROM:** BRANDON KARPEN  
DEPUTY ATTORNEY GENERAL

**DATE:** AUGUST 10, 2016

**SUBJECT:** AVISTA CORPORATION'S ANNUAL POWER COST ADJUSTMENT (PCA)  
APPLICATION, CASE NO. AVU-E-16-05

On August 1, 2016, Avista Corporation filed its annual Power Cost Adjustment (PCA) Application. The PCA is an annual adjustment mechanism that tracks changes in the Company's hydroelectric generation, secondary prices, thermal fuel costs, and changes in power contract revenue and expenses.

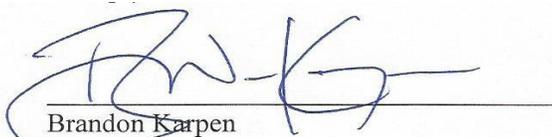
This year, the Company asks the Commission to approve a PCA rebate of 0.017¢ per kWh to be effective October 1, 2016. Under the Company's proposal, the PCA rate for all customers, including residential customers, would *increase* from the current rebate of 0.032¢ per kWh (a 0.015¢ per kWh increase in customer billing). The overall increase is 0.2%. Residential customers using an average of 918 kWh per month would see their monthly bills increase from \$84.72 to \$84.86. The Company requests that its Application be processed under Modified Procedure.

### STAFF RECOMMENDATION

Staff recommends that the case be processed by Modified Procedure, with comments due by September 15, 2016.

### COMMISSION DECISION

Does the Commission wish to process this case by Modified Procedure with a comment deadline of September 15, 2016?

  
Brandon Karpen  
Deputy Attorney General