

DECISION MEMORANDUM

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

**FROM: DAPHNE HUANG
DEPUTY ATTORNEY GENERAL**

DATE: OCTOBER 28, 2016

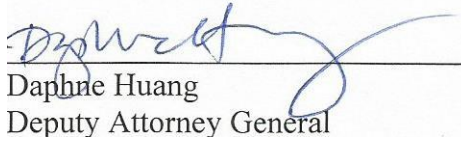
**SUBJECT: JOINT APPLICATION OF AVISTA AND STIMSON LUMBER TO
APPROVE FIRST AMENDMENT TO POWER PURCHASE
AGREEMENT, CASE NO. AVU-E-16-08**

On October 24, 2016, Avista Corporation and Stimson Lumber Company filed a joint Application asking the Commission to approve the First Amendment to their Power Purchase and Sale Agreement. Under the existing Agreement, approved by the Commission in 2007, Stimson sells, and Avista purchases, electric power generated by Stimson's thermal wood waste small power electric generation plant in Plummer, Idaho. Order No. 32436 at 1. Stimson's plant is a qualifying facility (QF) under the Public Utility Regulatory Policies Act (PURPA), capable of generating up to 6.5 megawatts (MW) of energy. *Id.* Under the Amendment, Avista and Stimson agree to extend the term of the Agreement, which is set to expire on January 14, 2017, through December 31, 2019, using applicable Idaho rates as in effect June 15, 2016. Application at 3-4; Attachment A to Amendment.

Avista and Stimson ask that the Commission issue an Order with an effective date of January 15, 2017, and find that all payments made by Avista for energy purchases under the Agreement be allowed as prudently incurred expenses for ratemaking purposes. The Application does not propose how it should be processed. However, Staff recommends that it be processed by Modified Procedure with a 21-day comment period.

COMMISSION DECISION

Does the Commission wish to issue a Notice of Application and Notice of Modified Procedure establishing a 21-day comment period?



Daphne Huang
Deputy Attorney General

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