## **BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

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IN THE MATTER OF THE POWER COST ADJUSTMENT (PCA) ANNUAL RATE ADJUSTMENT FILING OF AVISTA CORPORATION CASE NO. AVU-E-18-07 NOTICE OF APPLICATION NOTICE OF MODIFIED PROCEDURE ORDER NO. 34125

On July 30, 2018, Avista Corporation (the "Company") 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 rate of 0.326¢ per kWh to be effective October 1, 2018. Under the Company's proposal, the PCA rebate rate for all customers, including residential customers, would increase from the current rebate of 0.240¢ per kWh (a 0.086¢ per kWh increase in the customer rebate rate). Residential customers using an average of 910 kWh per month would see their monthly bills decrease from \$88.49 to \$87.70, a decrease of \$0.79 per month, or 0.9%. The Company requests that its Application be processed under Modified Procedure.

## NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that the Company reports lower power supply expenses than expected, less transmission expense, less expense due to retail loads, and a credit due to Idaho customers for the sale of renewable energy credits (REC) used to meet Washington's Renewable Energy Portfolio Standards. The lower power supply costs, transmission expenses, retail load expenses, and REC credit is partially offset by a power purchase agreement the Company has with Palouse Wind. Johnson Direct at 3. The net impact of these items is a total deferral of \$9,313,625, including interest, for the period of July 2017 through June 2018. Brandon Direct at 4.

YOU ARE FURTHER NOTIFIED that last year the Company's PCA application resulted in a rebate to customers of 0.240¢ per kWh. In this Application, the Company proposes that the PCA credit or rebate for all customers in tariff Schedule 66 move to a credit of 0.326¢ per kWh. Because the PCA rate adjustments are spread on a uniform cents-per-kilowatt-hour basis, the resulting percentage increase in billed revenues varies by customer groups. The overall decrease in the PCA rate is 1.0%. Application at 7.

YOU ARE FURTHER NOTIFIED that the Company calculates that the average residential customer using 910 kWh of electricity per month will see a monthly bill decrease of 79¢ per month. Application at 6.

YOU ARE FURTHER NOTIFIED that the Company proposed that its Application be processed under Modified Procedure to become effective on October 1, 2018.

## **NOTICE OF MODIFIED PROCEDURE**

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter and will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission's Rules of Procedure, IDAPA 31.01.01.201 through .204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on this Application may file a written comment in support or opposition with the Commission **no later than September 13, 2018**. The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this Application shall be mailed to the Commission and the Company at the addresses reflected below:

Commission Secretary	David J. Meyer, Esq.
Idaho Public Utilities Commission	Vice President and Chief Counsel
PO Box 83720	Regulatory and Governmental Affairs
Boise, ID 83720-0074	Avista Corporation
	P.O. Box 3727
Street Address for Express Mail:	MSC-27
	1411 E. Mission Ave.
472 W. Washington Street	Spokane, WA 99220-3727
Boise, ID 83702-5918	E-mail: <u>david.meyer@avistacorp.com</u>

Patrick D. Ehrbar Director of Regulatory Affairs Avista Utilities P.O. Box 3727 MSC-27 1411 E. Mission Ave. Spokane, WA 99220-3727 E-mail: Patrick.Ehrbar@avistacorp.com

These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at <u>www.puc.idaho.gov</u>. Click the "Case Comment or Question Form" under the "Consumers" tab, and complete the comment form using the case number as it appears on the front of this document. These comments must also be sent to the Company at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that the Company may file reply comments, if necessary, no later than September 20, 2018.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

YOU ARE FURTHER NOTIFIED that the Application and supporting workpapers, testimonies and exhibits have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application and testimonies are also available on the Commission's web site at <u>www.puc.idaho.gov</u>. Click on the "File Room" tab at the top of the page, scroll down to "Open Electric Cases," and then click on the case number as shown on the front of this document.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and specifically *Idaho Code* §§ 61-307, 61-503, and 61-622. The Commission may enter any final Order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq*.

## ORDER

IT IS HEREBY ORDERED that this case be processed under Modified Procedure (IDAPA 31.01.01.201 through .204). Interested persons wishing to file comments or protests in this matter must do so no later than September 13, 2018.

IT IS FURTHER ORDERED that the Company may file reply comments, if necessary, no later than September 20, 2018.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this  $15^{\text{tdA}}$  day of August 2018.

PAUL KJELLANDER, PRESIDENT

KRISTINE RAPER, COMMISSIONER

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ERIC ANDERSON, COMMISSIONER

ATTEST:

Diane M. Hanian Commission Secretary

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