

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE POWER COST)	CASE NO. AVU-E-18-07
ADJUSTMENT (PCA) ANNUAL RATE)	
ADJUSTMENT FILING OF AVISTA)	
CORPORATION)	ORDER NO. 34159
)	

On July 30, 2018, Avista Corporation (“Avista” or “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. On August 15, 2018, the Commission issued a Notice of Application and Notice of Modified Procedure setting comment and reply deadlines. Order No. 34125. Commission Staff timely submitted comments, and supported the Company’s request. No other comments were received.

THE APPLICATION

Avista requests a final deferral balance for the period of July 1, 2017 to June 30, 2018 of (\$9,313,625). Application at 4. The overall decrease in the Company’s annualized net revenues, after accounting for the expiration of the existing rebate, is (\$2,597,000). *Id.* at 6. The resulting percentage decrease in the Company’s annualized revenues is 1.0%. *Id.* The Company requests to spread the rebate evenly across rate schedules on a cents per kilowatt-hour (“kWh”) basis. *Id.* at 5. Under the Company’s proposal, the PCA rebate rate for all customers would increase from the current rebate of 0.240 cents per kWh, as established in Commission Order No. 33894, to 0.326 cents per kWh. *Id.* at 4-5.

THE COMMENTS

Staff filed the only comments in this matter, and recommended the Commission approve the Application. In reviewing the Company’s PCA Application, Staff reviewed: (1) actual and authorized expenses included in the deferral; (2) the deferral calculation method; (3) the prudence of actual net power costs incurred during the deferral period; (4) the calculation of balancing accounts and interest used to determine the final PCA rate; and (5) the calculation of the PCA rate. Staff Comments at 2.

Staff represented that the Company's methodologies were reasonable and compliant with Commission Orders and that the Company's calculations were accurate. Staff recommended the Commission authorize (\$9,313,625) to be refunded to ratepayers through the PCA in accordance with the Company's Application and that the Commission approve proposed tariff Schedule 66 as filed in Exhibit A of the Company's Application. *Id.* Staff also recommended that the Commission order the Company to report PCA expenses in their quarterly reports based on a PCA year, instead of on a calendar year, in order to more closely align with the PCA filing. *Id.* at 3, 11.

COMMISSION FINDINGS

The Commission has jurisdiction over this matter under *Idaho Code* §§ 61-502 and 61-503. The Commission has the express statutory authority to investigate rates, charges, rules, regulations, practices, and contracts of public utilities and to determine whether they are just, reasonable, preferential, discriminatory, or in violation of any provision of law, and may fix the same by order. *Idaho Code* §§ 61-502 and 61-503.

The Commission thoroughly reviewed the Application and comments. We find the Company's methodology adheres to our prior Orders regarding the PCA. Thus we accept the deferral balance for the period of July 1, 2017 to June 30, 2018 of (\$9,313,625). We further find the Company's proposed rebate of 0.326 cents per kWh to be just and reasonable, and we approve it and the proposed tariff Schedule 66, to be effective October 1, 2018. We further find Staff's recommendation to align PCA reporting with the PCA year to be reasonable.

ORDER

IT IS HEREBY ORDERED that the Company's Application regarding its annual PCA rate adjustment is approved. The Company's deferred power costs of (\$9,313,625) from July 1, 2017 to June 30, 2018, are approved. The Company is authorized to implement a PCA rebate rate of 0.326 cents per kWh and the Company's proposed Schedule 66 is approved, to be effective October 1, 2018.

IT IS FURTHER ORDERED that the Company report its PCA expenses in quarterly reports based on the PCA year.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order. Within seven (7) days after any person has petitioned for

reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code § 61-626.*

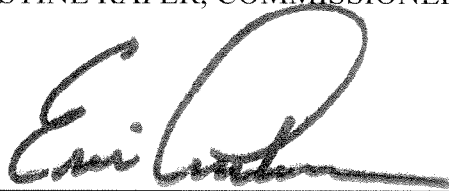
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this ^{28th} day of September 2018.



PAUL KJELLANDER, PRESIDENT




KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian
Commission Secretary

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