



## Idaho Public Utilities Commission

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Paul Kjellander, Commissioner  
Mack A. Redford, Commissioner  
Marsha H. Smith, Commissioner

AVU-G-14-04, Order No. 33160

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# Avista customers getting gas rate decrease

**Boise (Oct. 31, 2014)** – Natural gas rates for customers of Avista Utilities decrease by 2.1 percent effective Saturday.

The variable portion of electric and gas rates go up or down every year based on the previous year's variable costs to serve customers. The annual Purchased Gas Cost Adjustment (PGA) varies according to changes in wholesale market prices for gas and transportation and storage expense.

Avista's decrease in its PGA is a total \$1.6 million. The decrease to an average-sized residential or small-commercial customer will be about \$1.16 per month. Rates for large-commercial customers decrease by about 2.5%, though rates for a large interruptible customer increase by 0.2%.

Avista's commodity cost for natural gas actually increased during the last year due in part to a colder-than-normal winter last year. However, that colder weather led to more use of natural gas by Avista customers, resulting in higher natural gas revenue that offset the higher commodity cost.

Avista will "hedge" about 35% of its estimated gas requirements for this PGA year, which means the company buys excess natural gas when market prices are lower and then stores it for use when market prices are higher.

Company earnings do not increase or decrease with the yearly electric Power Cost Adjustment (PCA) or the natural gas yearly adjustment. The commission directed Avista to promptly file an application to amend the PGA should gas prices materially deviate from the amount approved in this order.

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