

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF AVISTA)
 CORPORATION DBA AVISTA UTILITIES') **CASE NO. AVU-G-18-04**
 APPLICATION TO CHANGE ITS NATURAL)
 GAS RATES AND CHARGES (PURCHASED)
 GAS COST ADJUSTMENT) **ORDER NO. 34187**
)

On August 27, 2018, Avista Corporation dba Avista Utilities filed an Application requesting authority to change its natural gas rates through the Purchased Gas Cost Adjustment (PGA) mechanism. Avista requests a Weighted Average Cost of Gas (WACOG) of \$0.17025 per therm and requests that its Application be processed by Modified Procedure.

By way of summary, the PGA is a Commission-approved mechanism that adjusts rates up or down to reflect changes in Avista’s costs to buy natural gas from suppliers—including changes in transportation, storage, and other related costs. Avista defers these costs into its PGA account, and then passes them on to customers through an increase or decrease in rates.

On September 12, 2018, the Commission issued a Notice of Application and Notice of Modified Procedure. Order No. 34144. The Commission set an October 10, 2018 general comment deadline. Commission Staff filed the only comments and supported the Company’s Application. Avista did not file reply comments. Having reviewed the record, we issue this Order approving Avista’s Application and proposed tariffs as filed, effective November 1, 2018.

THE APPLICATION

Avista states its proposal, if approved, would *decrease* rates for the average residential or small commercial customer about \$0.34 per month (0.7%). Avista proposes to change its PGA rates for its customer classes as follows:

Service	Schedule No.	Commodity Change per Therm	Demand Change per Therm	Total Sch. 150 Change	Amortization Change per Therm	Total Rate Change per Therm	Overall Percent Change
General	101	\$0.00654	\$(0.00918)	\$(0.00264)	\$(0.00283)	\$ (0.00547)	-0.8%
Lg. General	111	\$0.00654	\$ (0.00918)	\$(0.00264)	\$(0.00283)	\$ (0.00547)	-0.8%
Lg. General	112	\$0.00654	\$ (0.00918)	\$(0.00264)	\$ -	\$ (0.00264)	-0.3%
Interruptible	131	\$0.00654	\$ -	\$ 0.00654	\$ -	\$ 0.00654	1.7%
Transportation	146	\$ -	\$ -	\$ -	\$ (0.00265)	\$ (0.00265)	-2.2%

Id. at 2-4.

Avista estimates its commodity costs in Schedule 150 will *increase* by \$0.00654 per therm, from the currently approved \$0.16371 per therm for customers resulting in a WACOG of \$0.17025 per therm. *Id.* at 3. Avista proposes a \$0.00918 per therm decrease in the overall demand rate for customers on Schedules 101, 111, and 112.

Avista proposes to *increase* the amortization rate rebate by \$0.00283 per therm for customers on Schedules 101 and 111, resulting in an amortization rate of \$0.09145 per therm. Transportation customers on Schedule 146 would receive an amortization rate rebate of \$0.00265 per therm. The new rates, and corresponding changes to Schedules 150 (PGA) and 155 (As Rate Adjustment), would take effect November 1, 2018.

THE COMMENTS

Staff filed the only comments in this matter, and supports the request. Staff stated that it is concerned that Avista did not provide lost and unaccounted for gas calculations with its filing and did not disclose that until questioned. Staff also stated that Avista stopped providing quarterly reports in 2015 because, starting with Order No. 33402, the Commission no longer explicitly required quarterly WACOG reports. Staff finds value in these reports and recommends that the Commission order Avista to resume filing its quarterly WACOG reports and monthly deferred costs reports.

DISCUSSION AND FINDINGS

The Commission has reviewed the record, including the Application and comments. Avista is a gas corporation and public utility, and the Commission has jurisdiction over it and the issues in this case under Title 61 of the Idaho Code, and more specifically, *Idaho Code* §§ 61-117, 61-129, 61-307, 61-501, and 61-502. The Commission must establish just, reasonable, and sufficient rates for utilities subject to its jurisdiction. *Idaho Code* § 61-502.

Based on our review of the record, we find that Avista's proposed Schedule 150 accurately captures Avista's variable costs. We thus find it fair, just, and reasonable to approve Avista's proposed Schedule 150, including the proposed WACOG of \$0.17025 per therm. We further find it appropriate for the Company to update its demand costs, and any changes to its deferral account in its regular PGA filing. We find the proposed amortization rate of \$0.09145 per therm for Schedule 101 and 111 customers to be just and reasonable. We further find an amortization rate rebate of \$0.00265 per therm for Schedule 146 customers to be just and

reasonable. Therefore, we approve the proposed Tariff Schedule 155. Finally, the Company should issue direct notice to its customers of these changes in accord with Rule 125.

We also find that quarterly WACOG reports and monthly deferred cost reports provide useful information and assist Staff with determining whether to audit earlier than planned, and whether an interim filing might be needed.

ORDER

IT IS HEREBY ORDERED that Avista's Application to change its natural gas rates and charges is approved. Avista shall establish a WACOG of \$0.17025 per therm. Avista shall further establish an amortization rate of \$0.09145 per therm for Schedule 101 and 111 customers, and an amortization rate rebate of \$0.00265 per therm for Schedule 146 customers. Avista's proposed tariffs are approved as filed, effective November 1, 2018.

IT IS FURTHER ORDERED that Avista shall promptly apply to amend its WACOG if gas prices materially deviate from the WACOG approved in this Order.

IT IS FURTHER ORDERED that Avista resume filing quarterly WACOG reports and monthly deferred cost reports on an ongoing basis.

THIS IS A FINAL ORDER. Any person interested in this Order (or in issues finally decided by this Order) may petition for reconsideration within twenty-one (21) days of the service date of 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.

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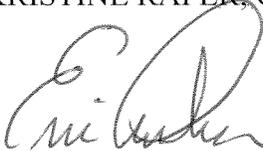
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this *31st*
day of October, 2018.



PAUL KJELLANDER, PRESIDENT



KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian
Commission Secretary

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