



Avista Corp.

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July 31, 2024

State of Idaho
Idaho Public Utilities Commission
11331 W. Chinden Blvd
Bldg 8 Suite 201-A
Boise, ID 83714

Re: **Case No. AVU-E-24-08**
Electric Fixed Cost Adjustment Annual Rate Filing of Avista Corporation

Dear Commission Secretary:

Enclosed for electronic filing with the Commission is Avista's electric Fixed Cost Adjustment (FCA) annual rate adjustment filing. This filing consists of Avista's Application, Exhibit A (the Company's proposed tariffs), Exhibit B (rate calculations), Exhibit C (12 months ending June 30, 2024 deferral), and Exhibit D (customer communications) in support of the Application. The Company request that the proposed tariff sheets be made effective October 1, 2024

Electronic versions of the Company's filing were emailed to the Commission, and the Service List, on July 31, 2024.

Please direct any questions on this matter to me at (509) 495-8620 or Joel Anderson at (509) 495-2811.

Sincerely,

/s/ Pat Ehrbar

Patrick D. Ehrbar
Director of Regulatory Affairs

Enclosures

Important Notice for Idaho Electric and Natural Gas Customers (August 2024)

Avista has made annual rate adjustment filings with the Idaho Public Utilities Commission (IPUC or Commission) that if approved, are designed to decrease overall electric revenues by approximately \$16.6 million or 5.4% effective Oct. 1, 2024 and decrease overall natural gas revenue by approximately \$28.6 million or 24.7% effective Nov. 1, 2024. These annual filings have no impact on Avista's earnings.

Electric Adjustment Filings

Two annual electric adjustments were filed, that if approved, are designed to change overall electric revenues effective Oct. 1, 2024 as follows:

1. Power Cost Adjustment (PCA): a decrease of approximately \$22.8 million or 7.4%
2. Fixed Cost Adjustment (FCA): an increase of approximately \$6.2 million or 2.0%

Natural Gas Adjustment Filing

Two annual natural gas adjustments were filed, that if approved, are designed to change overall natural gas revenues effective Nov. 1, 2024 as follows:

1. Purchased Gas Adjustment (PGA): a decrease of approximately \$31.1 million or 26.8%
2. Fixed Cost Adjustment (FCA): an increase of approximately \$2.5 million or 2.1%

Customer Bills Resulting from these Filings

If the electric PCA (AVU-E-24-07) and FCA (AVU-E-24-08) filings are approved, residential electric customers in Idaho using an average of 927 kilowatt hours per month would see their monthly bills decrease from \$104.18 to \$101.46, a decrease of \$2.72 per month, or approximately 2.6%. The proposed electric rate change would be effective Oct. 1, 2024.

The requested electric rate change by rate schedule are as follows:

Residential Service - Schedule 1	-2.7%
General Service - Schedules 11 & 12	-7.2%
Large General Service - Schedules 21 & 22	-6.3%
Extra Large General Service - Schedule 25	-10.7%
Extra Large General Service - Schedule 25P	-11.7%
Pumping Service - Schedules 31 & 32	-5.5%
Street & Area Lights - Schedules 41-49	<u>-1.8%</u>
Overall	-5.4%

If the natural gas FCA (AVU-G-24-01) and PGA (AVU-G-24-02) filings are approved, residential natural gas customers in Idaho using an average of 64 therms per month would see their monthly bills decrease from \$78.03 to \$60.15, a decrease of \$17.88 per month, or approximately 22.9%. The proposed natural gas rate change would be effective Nov. 1, 2024.

The requested natural gas rate change by rate schedule are as follows:

General Service - Schedule 101	-23.2%
Large General Service - Schedules 111 & 112	-30.3%
Interruptible Service - Schedules 131 & 132	0.0%
Transportation Service - Schedule 146	<u>0.0%</u>
Overall	-24.7%

Power Cost Adjustment (PCA)

The PCA is an annual rate adjustment made to reflect the difference between the actual cost of generating and purchasing electric power to serve customers and the cost currently included in customer rates. Over

the last year, power supply costs were lower than those included in retail rates due to higher wholesale electric and natural gas prices.

Fixed Cost Adjustment (FCA)

The electric and natural gas FCA is a mechanism designed to break the link between a utility's revenues and customers' energy usage. Avista's actual revenue, based on kilowatt hour or therm sales, will vary, up or down, from the level included in a general rate case and approved by the Commission. This could be caused by changes in weather, energy conservation or other factors. Generally, under the FCA, Avista's revenues are adjusted each month based on the number of customers. The annual difference between revenues based on sales and the number of customers is surcharged or rebated to customers beginning in the following year.

The proposed FCA rate adjustments are primarily driven by variations in 2023 customer usage related to weather and savings from participating in efficiency programs. The FCA mechanisms do not apply to Avista's Electric Extra Large General and Street Lighting Service Schedules, nor to its Natural Gas Interruptible and Transportation Service Schedules.

Purchased Gas Cost Adjustment (PGA)

PGA requests are typically filed annually to balance the actual cost of wholesale natural gas purchased by Avista to serve customers with the amount presently included in customer's rates. Avista does not make a profit on, or markup, the wholesale cost of natural gas. PGAs ensure customers pay what Avista pays, dollar for dollar, only at a more predictable and stable rate throughout the year. These rate adjustments are driven primarily by a reduction in the current surcharge amortization rate and lower wholesale natural gas prices observed during this past winter, which were below the amounts included in rates.

Rate Application Procedure

The Company's applications are proposals, subject to public review and a Commission decision. Copies of the applications are available for public review at the offices of both the Commission and Avista, and on the Commission's website (www.puc.idaho.gov). Customers may file with the Commission written comments related to the Company's filings. Customers may also subscribe to the Commission's RSS feed (<http://www.puc.idaho.gov/rssfeeds/rss.htm>) to receive periodic updates via e-mail about the case. Copies of rate filings are also available on our website, www.myavista.com/rates.

If you would like to submit comments on the proposed rate change, you can do so by going to the Commission website puc.idaho.gov/Form/CaseComment or mailing comments to:

Idaho Public Utilities Commission
P.O. Box 83720
Boise, ID 83720-0074

When filing comments reference the appropriate Case Number.

Avista offers a number of programs and services to help customers manage their energy use and costs. Visit www.myavista.com for information on these programs which include Comfort Level Billing, bill payment options, automated payment service, assistance programs, conservation tips, and energy efficiency rebates.

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 75

FIXED COST ADJUSTMENT MECHANISM – ELECTRIC

PURPOSE:

This Schedule establishes balancing accounts and implements an annual Fixed Cost Adjustment (“FCA”) rate mechanism that separates the recovery of the Company’s Commission authorized revenues from kilowatt-hour sales to customers served under the applicable electric service schedules.

TERM:

The FCA mechanism will remain in effect through March 31, 2025.

APPLICABLE:

To Customers in the State of Idaho where the Company has electric service available. This schedule shall be applicable to all retail customers taking service under Schedules 1, 11, 12, 21, 22, 31, and 32. This Schedule does not apply to Extra Large General Service Schedule 25, Extra Large General Service to Clearwater Paper Schedule 25P, or to Street and Area Light Schedules 41 through 49.

Applicable Customers will be segregated into two (2) distinct Rate Groups:

Group 1 – Schedule 1

Group 2 – Schedules 11, 12, 21, 22, 31, 32

Note – the recovery of incremental revenue related to fixed production and transmission costs will be excluded for new natural gas customers added after the FCA Base test year.

MONTHLY RATE:

Group 1 – (\$0.00129) per kWh

Group 2 – \$0.00004 per kWh

Issued July 31, 2024

Effective October 1, 2024

Issued by Avista Corporation

By

Patrick Ehrbar, Director of Regulatory Affairs

