



Avista Corp.

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June 30, 2020

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

Case No. AVU-G-20-0_

I.P.U.C. No. 27 – Natural Gas Service

In accordance with Case No. GNR-U-20-01, Order No. 34602, which suspends the requirement to file physical copies, the Company has attached for electronic filing with the Commission are the following revised tariff sheets:

Twenty-Eighth Revision Sheet 150	canceling	Twenty-Seventh Revision Sheet 150
Twenty-Second Revision Sheet 155	canceling	Twenty-First Revision Sheet 155

The Company requests that the proposed tariff sheets be made effective November 1, 2020. These tariff sheets reflect the Company's annual Purchased Gas Cost Adjustment ("PGA"). If approved, the Company's annual revenue will *increase* by approximately \$0.4 million or approximately 0.7%. The proposed changes have no effect on the Company's earnings. Detailed information related to the Company's request was filed electronically along with the attached Application and supporting workpapers.

Filed concurrently with this PGA is the Company's annual Fixed Cost Adjustment Mechanism (FCA). If both the natural gas FCA and PGA filings are approved, residential natural gas customers in Idaho using an average of 64 therms per month would see their monthly bills decrease from \$50.98 to \$50.18, a decrease of \$0.80 per month, or approximately 1.6%. The proposed natural gas rate changes would be effective Nov. 1, 2020.

If you have any questions regarding this filing, please contact Annette Brandon at (509) 495-4324.

Sincerely,

/s/ Patrick D. Ehrbar

Patrick D. Ehrbar
Director of Regulatory Affairs

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)
AVISTA UTILITIES FOR AN ORDER APPROVING) CASE: AVU-G-20-0__
A CHANGE IN NATURAL GAS RATES AND CHARGES)

Application is hereby made to the Idaho Public Utilities Commission for an Order approving a revised schedule of rates and charges for natural gas service in the state of Idaho. The Applicant requests that the proposed rates included in this Purchased Gas Cost Adjustment (“PGA”) filing be made effective on November 1, 2020. If approved as filed, the Company’s annual revenue will increase by approximately \$0.4 million or about 0.7%. In support of this Application, Applicant states as follows:

I.

The name of the Applicant is AVISTA CORPORATION, doing business as AVISTA UTILITIES (hereinafter Avista, Applicant or Company), a Washington corporation, whose principal business office is 1411 East Mission Avenue, Spokane, Washington, and is qualified to do business in the state of Idaho. Applicant maintains district offices in Moscow, Lewiston, Coeur d'Alene, Sandpoint, and Kellogg, Idaho. Communications in reference to this Application should be addressed to:

Patrick D. Ehrbar
Director of Regulatory Affairs
Avista Utilities
1411 E. Mission Avenue
Spokane, WA 99220-3727
Phone: (509) 495-8620
Fax: (509) 495-8851
Pat.ehrbar@avistacorp.com

II.

Attorney for the Applicant and his address is as follows:

David J. Meyer
Vice President and Chief Counsel for Regulatory
And Governmental Affairs
Avista Utilities
1411 E. Mission Avenue
Spokane, WA 99220-3727
Phone: (509) 495-4316
Fax: (509) 495-8851
David.meyer@avistacorp.com

III.

The Applicant is a public utility engaged in the distribution of natural gas in certain portions of Northern Idaho, Eastern and Central Washington, and Southwestern and Northeastern Oregon, and further engaged in the generation, transmission, and distribution of electricity in Northern Idaho and Eastern Washington.

IV.

Twenty-Eighth Revision Sheet 150, which Applicant requests the Commission approve, is filed herewith as Exhibit "A". Additionally, Twenty-Second Revision Sheet 155, which Applicant requests the Commission approve, is also filed herewith as Exhibit "A". Also included in Exhibit "A" is a copy of Twenty-Eighth Revision Sheet 150 and Twenty-Second Revision Tariff Sheet 155 with the changes underlined and a copy of Twenty-Seventh Revision Sheet 150 and Twenty-First Revision Tariff Sheet 155 with the proposed changes shown by lining over the current language or rates.

V.

The existing rates and charges for natural gas service on file with the Commission and designated as Applicant's Tariff IPUC No. 27, which will be superseded by the rates and charges filed herewith, are incorporated herein as though fully attached hereto.

VI.

Notice to the Public of Applicant's proposed tariffs is to be given simultaneously with the filing of this Application by posting, at each of the Company's district offices in Idaho, a Notice in the form attached hereto as Exhibit "B" and by means of a press release distributed to various informational agencies, a draft copy attached hereto in Exhibit "C". In addition, Exhibit "C" to this Application also contains the form of customer notice that the Company will send to its customers in its monthly bills in the July timeframe.

VII.

The circumstances and conditions relied on for approval of Applicant's revised rates are as follows: Applicant purchases natural gas for customer usage and transports it over Williams Northwest Pipeline, Gas Transmission Northwest (GTN), TC Energy - Alberta, TC Energy - BC and Enbridge Energy Pipeline systems, and defers the effect of timing differences due to implementation of rate changes and differences between Applicant's actual weighted average cost of gas ("WACOG") purchased and the WACOG embedded in rates. Applicant also defers various pipeline refunds or charges and miscellaneous revenue received from natural gas related transactions including pipeline capacity releases. Workpapers for all proposed Commodity, Demand and Amortization costs are provided with this filing as Exhibit "D".

VIII.

This filing reflects the Company's proposed annual PGA to: 1) pass through changes in the estimated cost of natural gas for the November 2020 through October 2021 twelve-month period (Schedule 150),

and 2) revise the amortization rate(s) to refund or collect the balance of deferred gas costs (Schedule 155). Below is a table summarizing the proposed rate changes reflected in this filing:

	Sch.	Commodity Change	Demand Change	Total Sch. 150 Change	Amortization Change	Total Rate Change	Overall Percent Change
Service	No.	per therm	per therm	Change	per therm	per therm	Change
General	101	\$ 0.00955	\$ (0.00345)	\$ 0.00610	\$ (0.00129)	\$ 0.00481	0.7%
Lg. General	111	\$ 0.00955	\$ (0.00345)	\$ 0.00610	\$ (0.00129)	\$ 0.00481	0.7%
Lg General	112	\$ 0.00955	\$ (0.00345)	\$ 0.00610	\$ -	\$ 0.00610	0.8%
Interruptible	131	\$ 0.00955	\$ -	\$ 0.00955	\$ -	\$ 0.00955	2.5%
Transportation	146	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%

The Company is filing this Application earlier than the typical August-September timeframe in order to sync up with the Fixed-Cost adjustment filing required no later than July 1. Syncing up the timing of the filings will reduce the number of press releases for customers.

IX.

Schedule 150 / Purchase Gas Cost - Commodity Costs

As shown in the table above, the estimated WACOG change is a *slight increase* of \$0.00955 per therm. The proposed WACOG \$0.16283 per therm compared to the present WACOG of \$0.15328 per therm included in rates. The cost of natural gas commodity remains relatively low in a high-supply environment due to continued higher natural gas production and high levels of in storage. The increase of \$0.00955 is reflective simply of the volatile nature of the commodity cost itself year over year.

The Company's natural gas Procurement Plan ("Plan") uses a diversified approach to procure natural gas for the coming PGA year. While the Plan generally incorporates a more structured approach for the hedging portion of the portfolio, the Company exercises flexibility and discretion in all areas of the plan based on changes in the wholesale market. The Company typically meets with Commission Staff semi-annually to discuss the state of the wholesale market and the status of the Company's Plan. In addition, the Company communicates with Staff when it believes it makes sense to deviate from its Plan and/or opportunities arise in the market.

Avista has been hedging natural gas on both a periodic and discretionary basis throughout the previous thirty-six months for the forthcoming PGA year. Approximately 40% of estimated annual load requirements for the PGA year (November 2020 through October 2021) will be hedged at a fixed-price derived from the Company's Plan. Through June, the hedge volumes for the PGA year have been executed at a weighted average price of \$1.71 per dekatherm (\$0.171 per therm).

The Company used a 15-day AECO forward price (ending June 22, 2020) to develop an estimated cost associated with index purchases. These index purchases represent approximately 60% of estimated annual load requirements for the coming year. The annual weighted average price for these volumes is \$1.77 per dekatherm (\$0.177 per therm).

X.

Schedule 150 / Purchase Gas Cost - Demand Costs

Demand costs reflect the cost of pipeline transportation to the Company's system, as well as fixed costs associated with natural gas storage. As shown in the table above, demand costs are expected to *slightly decrease* for residential customers by approximately \$0.00345 per therm. This reduction is related to a variety of factors including Canadian exchange rate, updated demand forecast, and new rates for our Canadian Pipelines effective June 1, 2020.

XI.

Schedule 155 / Amortization Rate Change

As shown in the table above, the proposed amortization rate change for Schedule 101 and Schedule 111 is a decrease in revenue (or increase in current rebate) of \$0.00129 per therm. The current rate applicable to Schedule 101 and Schedule 111 is \$0.03625 per therm in the rebate direction; the proposed rate is \$0.03754 per therm also in the rebate direction.

In the 2019 PGA Filing the Company forecast a total amortization refund of approximately \$3.2 million effective November 1, 2019.¹ This estimate was based on actual balances as of June 2019 and a three-year average forecast for commodity and demand, and amortization activity based on estimated loads from July 2019 to October 2019. In this year's PGA filing, the Company has continued this practice and included a projection of deferral and amortization balances from June 2020 through October 2020 of approximately \$2.5 million. This projection is based on the 3-year average of actual commodity deferrals (2017-2019), an estimate for demand costs based on estimated loads and updated pipeline tariff rates, and amortization activity based on estimated loads. Combined with the May 30, 2020 balance, the total amount to be refunded to Customers is approximately \$3.4 million. On a per therm basis, the net impact of the expiring amortization rebate and the new amortization rebate is approximately \$0.00129 or -0.2%.

XII.

If approved as filed, the Company's annual revenue will *increase* by approximately \$0.4 million or about 0.7% effective November 1, 2020. Residential or small commercial customers using an average of 64 therms per month would see an *increase* of \$0.31 per month, or approximately 0.6%. The present bill for 64 therms is \$50.98 while the proposed bill is \$51.29.

XIII.

Exhibit "D" attached hereto contains support workpapers for the Proposed Tariff Rates proposed by Applicant contained in Exhibit "A".

XIV.

Avista requests that the rates proposed in this filing be approved to become effective on November 1, 2020, and requests that the matter be processed under the Commission's Modified Procedure rules

¹ The actual deferral/amortization balance effective October 31, 2019 was approximately \$2.7 million.
Case No. AVU-G-20-0_

through the use of written comments. Avista stands ready for immediate consideration on its Application.

XV.

WHEREFORE, Avista requests the Commission issue its Order finding its proposed rates to be just, reasonable, and nondiscriminatory and to become effective for all natural gas service on and after November 1, 2020.

Dated at Spokane, Washington, this 30th day of June 2020.

AVISTA UTILITIES
BY

/s/ David J. Meyer

David J. Meyer
Vice President and Chief Counsel for
Regulatory & Governmental Affairs
Avista Corporation

AVISTA UTILITIES

Case No. AVU-G-20-0__

EXHIBIT “A”

Proposed Tariff Sheets

AVISTA CORPORATION
d/b/a Avista Utilities

SCHEDULE 150
PURCHASE GAS COST ADJUSTMENT - IDAHO

APPLICABLE:

To Customers in the State of Idaho where Company has natural gas service available.

PURPOSE:

To pass through changes in costs resulting from purchasing and transporting natural gas, to become effective as noted below.

RATE:

- (a) The retail rates of firm gas Schedules 101, 111 and 112 are to be increased by 25.288¢ per therm in all blocks of these rate schedules.
- (b) The rates of interruptible Schedules 131 and 132 are to be increased by 16.283¢ per therm.
- (c) The rate for transportation under Schedule 146 is to be decreased by 0.000¢ per therm.

WEIGHTED AVERAGE GAS COST:

The above rate changes are based on the following weighted average cost of gas per therm as of the effective date shown below:

	Demand	Commodity	Total
Schedules 101	9.005¢	16.283¢	25.288¢
Schedules 111 and 112	9.005¢	16.283¢	25.288¢
Schedules 131 and 132	0.000¢	16.283¢	16.283¢

The above amounts include a gross revenue factor.

	Demand	Commodity	Total
Schedules 101	8.952¢	16.188¢	25.140¢
Schedules 111 and 112	8.952¢	16.188¢	25.140¢
Schedules 131 and 132	0.000¢	16.188¢	16.188¢

The above amounts do not include a gross revenue factor.

BALANCING ACCOUNT:

The Company will maintain a Purchase Gas Adjustment (PGA) Balancing Account whereby monthly entries into this Balancing Account will be made to reflect differences between the actual purchased gas costs collected from customers and the actual purchased gas costs incurred by the Company. Those differences are then collected from or refunded to customers under Schedule 155 – Gas Rate Adjustment.

Issued June 30, 2020

Effective November 1, 2020

Issued by Avista Utilities
By

Patrick Ehrbar – Director of Regulatory Affairs



AVISTA CORPORATION
d/b/a Avista Utilities

SCHEDULE 150
PURCHASE GAS COST ADJUSTMENT - IDAHO

APPLICABLE:

To Customers in the State of Idaho where Company has natural gas service available.

PURPOSE:

To pass through changes in costs resulting from purchasing and transporting natural gas, to become effective as noted below.

RATE:

- (a) The retail rates of firm gas Schedules 101, 111 and 112 are to be increased by ~~24.678¢~~ per therm in all blocks of these rate schedules.
- (b) The rates of interruptible Schedules 131 and 132 are to be increased by ~~15.328¢~~ per therm.
- (c) The rate for transportation under Schedule 146 is to be decreased by 0.000¢ per therm.

WEIGHTED AVERAGE GAS COST:

The above rate changes are based on the following weighted average cost of gas per therm as of the effective date shown below:

	Demand	Commodity	Total
Schedules 101	9.350¢	15.328¢	24.678¢
Schedules 111 and 112	9.350¢	15.328¢	24.678¢
Schedules 131 and 132	0.000¢	15.328¢	15.328¢

The above amounts include a gross revenue factor.

	Demand	Commodity	Total
Schedules 101	9.295¢	15.239¢	24.534¢
Schedules 111 and 112	9.295¢	15.239¢	24.534¢
Schedules 131 and 132	0.000¢	15.239¢	15.239¢

The above amounts do not include a gross revenue factor.

BALANCING ACCOUNT:

The Company will maintain a Purchase Gas Adjustment (PGA) Balancing Account whereby monthly entries into this Balancing Account will be made to reflect differences between the actual purchased gas costs collected from customers and the actual purchased gas costs incurred by the Company. Those differences are then collected from or refunded to customers under Schedule 155 – Gas Rate Adjustment.

Issued August 23, 2019

Effective November 1, 2019

Issued by Avista Utilities
By

Patrick Ehrbar – Director of Regulatory Affairs

AVISTA CORPORATION
 d/b/a Avista Utilities

**SCHEDULE 150
 PURCHASE GAS COST ADJUSTMENT - IDAHO**

APPLICABLE:

To Customers in the State of Idaho where Company has natural gas service available.

PURPOSE:

To pass through changes in costs resulting from purchasing and transporting natural gas, to become effective as noted below.

RATE:

- (a) The retail rates of firm gas Schedules 101, 111 and 112 are to be increased by 25.288¢ per therm in all blocks of these rate schedules.
- (b) The rates of interruptible Schedules 131 and 132 are to be increased by 16.283¢ per therm.
- (c) The rate for transportation under Schedule 146 is to be decreased by 0.000¢ per therm.

WEIGHTED AVERAGE GAS COST:

The above rate changes are based on the following weighted average cost of gas per therm as of the effective date shown below:

	Demand	Commodity	Total
Schedules 101	<u>9.005¢</u>	<u>16.283¢</u>	<u>25.288¢</u>
Schedules 111 and 112	<u>9.005¢</u>	<u>16.283¢</u>	<u>25.288¢</u>
Schedules 131 and 132	0.000¢	<u>16.283¢</u>	<u>16.283¢</u>

The above amounts include a gross revenue factor.

	Demand	Commodity	Total
Schedules 101	<u>8.952¢</u>	<u>16.188¢</u>	<u>25.140¢</u>
Schedules 111 and 112	<u>8.952¢</u>	<u>16.188¢</u>	<u>25.140¢</u>
Schedules 131 and 132	0.000¢	<u>16.188¢</u>	<u>16.188¢</u>

The above amounts do not include a gross revenue factor.

BALANCING ACCOUNT:

The Company will maintain a Purchase Gas Adjustment (PGA) Balancing Account whereby monthly entries into this Balancing Account will be made to reflect differences between the actual purchased gas costs collected from customers and the actual purchased gas costs incurred by the Company. Those differences are then collected from or refunded to customers under Schedule 155 – Gas Rate Adjustment.

Issued June 30, 2020

Effective November 1, 2020

Issued by Avista Utilities
 By

Patrick Ehrbar – Director of Regulatory Affairs

AVISTA CORPORATION
d/b/a Avista Utilities

SCHEDULE 155
GAS RATE ADJUSTMENT - IDAHO

AVAILABLE:

To Customers in the State of Idaho where Company has natural gas service available.

PURPOSE:

To adjust gas rates for amounts generated by the sources listed below.

MONTHLY RATE:

- (a) The rates of firm gas Schedules 101 and 111 are to be decreased by 3.754¢ per therm in all blocks of these rate schedules.
- (b) The rate of interruptible gas Schedule 131 is to be decreased by 0.000¢ per therm.
- (c) The rate of transportation gas Schedule 146 is to be decreased by 0.000¢ per therm.

SOURCES OF MONTHLY RATE:

Changes in the monthly rates above result from amounts which have been accumulated in the Purchase Gas Adjustment (PGA) Balancing Account as described in Schedule 150 – Purchase Gas Cost Adjustment.

SPECIAL TERMS AND CONDITIONS:

The above Monthly Rate is subject to the provisions of Tax Adjustment Schedule 158.

Issued June 30, 2020

Effective November 1, 2020

Issued by Avista Utilities

By

Patrick Ehrbar, Director of Regulatory Affairs



AVISTA CORPORATION
d/b/a Avista Utilities

SCHEDULE 155
GAS RATE ADJUSTMENT - IDAHO

AVAILABLE:

To Customers in the State of Idaho where Company has natural gas service available.

PURPOSE:

To adjust gas rates for amounts generated by the sources listed below.

MONTHLY RATE:

- (a) The rates of firm gas Schedules 101 and 111 are to be decreased by ~~3.625¢~~ per therm in all blocks of these rate schedules.
- (b) The rate of interruptible gas Schedule 131 is to be decreased by 0.000¢ per therm.
- (c) The rate of transportation gas Schedule 146 is to be decreased by 0.000¢ per therm.

SOURCES OF MONTHLY RATE:

Changes in the monthly rates above result from amounts which have been accumulated in the Purchase Gas Adjustment (PGA) Balancing Account as described in Schedule 150 – Purchase Gas Cost Adjustment.

SPECIAL TERMS AND CONDITIONS:

The above Monthly Rate is subject to the provisions of Tax Adjustment Schedule 158.

Issued August 23, 2019

Effective November 1, 2019

Issued by Avista Utilities
By

Patrick Ehrbar, Director of Regulatory Affairs

AVISTA CORPORATION
d/b/a Avista Utilities

SCHEDULE 155
GAS RATE ADJUSTMENT - IDAHO

AVAILABLE:

To Customers in the State of Idaho where Company has natural gas service available.

PURPOSE:

To adjust gas rates for amounts generated by the sources listed below.

MONTHLY RATE:

- (a) The rates of firm gas Schedules 101 and 111 are to be decreased by 3.754¢ per therm in all blocks of these rate schedules.
- (b) The rate of interruptible gas Schedule 131 is to be decreased by 0.000¢ per therm.
- (c) The rate of transportation gas Schedule 146 is to be decreased by 0.000¢ per therm.

SOURCES OF MONTHLY RATE:

Changes in the monthly rates above result from amounts which have been accumulated in the Purchase Gas Adjustment (PGA) Balancing Account as described in Schedule 150 – Purchase Gas Cost Adjustment.

SPECIAL TERMS AND CONDITIONS:

The above Monthly Rate is subject to the provisions of Tax Adjustment Schedule 158.

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