



Avista Corp.

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July 31, 2024

Commission Secretary
State of Idaho
Idaho Public Utilities Commission
11331 W. Chinden Blvd. Building 8, Suite 201-A
Boise, Idaho 83702-5983

**RE: Case No. AVU-E-24-07
Power Cost Adjustment (PCA) Annual Rate Adjustment Filing of Avista Corporation**

Dear Commission Secretary:

Attached for electronic filing with the Commission is the annual Power Cost Adjustment Rate Filing.¹ The Company is requesting that the Commission issue an order approving recovery of power costs deferred for the period July 1, 2023 through June 30, 2024, and approving a PCA rebate of 0.205¢ per kilowatt-hour to be effective October 1, 2024.

Under the Company's proposal, the PCA rebate rate for all customers, including residential customers, would decrease from an existing surcharge rate of 0.499¢ per kilowatt-hour to a proposed rebate rate of 0.205¢ per kilowatt-hour, or a decrease in the rate of 0.704¢ per kilowatt-hour. Since PCA rate adjustments are spread on a uniform cents per kilowatt-hour basis, the resulting percentage change varies by rate schedule. The overall decrease is approximately \$22.8 million or 7.4%. Residential customers using an average of 927 kilowatt-hours per month would see their monthly bills decrease from \$104.18 to \$97.66, a decrease of \$6.52 per month, or 6.3%.

Certain supporting documents are CONFIDENTIAL, rendering these documents exempt from public inspection, examination and copying pursuant to Sections 74-101 through 74-126 of the Idaho Code. Avista believes that the identified CONFIDENTIAL supporting documents contain valuable commercial information.

As such, Avista is submitting a separate electronic filing containing the electronic form of the CONFIDENTIAL supporting documents, in compliance with Rule 067.02.b.

¹ Case No. GNR-U-20-01, Order No. 35375

Please direct any questions regarding this filing to Ryan Finesilver at ryan.finesilver@avistacorp.com and (509) 495-4873 or Kaylene Schultz at kaylene.schultz@avistacorp.com or (509) 495-2482.

Sincerely,

/s/ Patrick 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
d/b/a Avista Utilities

SCHEDULE 66

TEMPORARY POWER COST ADJUSTMENT - IDAHO

APPLICABLE:

To Customers in the State of Idaho where the Company has electric service available. This Power Cost Adjustment shall be applicable to all retail customers for charges for electric energy sold. This Rate Adjustment is designed to recover or rebate a portion of the difference between actual and allowed net power supply costs.

MONTHLY RATE:

The energy charges of electric Schedules 1, 11, 12, 21, 22, 25, 25P, 31, 32, and 41-49 are to be decreased by 0.205¢ per kilowatt-hour in all blocks of these rate schedules.

SPECIAL TERMS AND CONDITIONS:

The rates set forth under this Schedule are subject to periodic review and adjustment by the IPUC based on the actual balance of deferred power costs.

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

The above Rate is subject to increases as set forth in Tax Adjustment Schedule 58.

Issued July 31, 2024

Effective October 1, 2024

Issued by Avista Utilities
By

Patrick Ehrbar – Director of Regulatory Affairs

