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Attorney for Avista Corporation

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF THE APPLICATION	)	
OF AVISTA CORPORATION FOR	)	<b>CASE NO. AVU-G-25-06</b>
APPROVAL TO DECREASE ITS ENERGY	)	
EFFICIENCY TARIFF RIDER	)	APPLICATION OF AVISTA
ADJUSTMENT SCHEDULE 191	)	

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In accordance with Idaho Code §61-502 and Idaho Public Utilities Commission Modified Procedure Rule (RP) 052, Avista Corporation, dba Avista Utilities (“Avista” or “Company”), at 1411 East Mission Avenue, Spokane, Washington, hereby respectfully applies to the Idaho Public Utilities Commission (“Commission”) for an order authorizing Avista to decrease to its natural gas tariff, I.P.U.C. No. 27, Schedule 191, “Energy Efficiency Rider Adjustment” rates, effective November 1, 2025.

Avista’s Schedule 191 tariff rider rate adjustment is designed to recover costs incurred by the Company associated with providing natural gas energy efficiency services and programs to customers. The tariff rider mechanism is intended to match future revenue with budgeted expenditures; to ensure appropriate recovery, the mechanism includes a true-up feature that reconciles the previous periods’ actual expenditures and collections. The purpose of this filing is to establish tariff riders that are sufficient to fund the following twelve months’ expenditures of

the Company's Natural Gas Energy Efficiency Program ("Program"), as well as amortize any tariff rider imbalance, thus minimizing the amount of future under- or over-collections. In this filing, Avista proposes to decrease billed natural gas rates by approximately 3.5% through proposed revisions in Schedule 191, with a requested effective date of November 1, 2025. The Company also requests that this filing be processed under the Commission's Modified Procedure Rules (RP 201-204).

All communications, pleadings, and orders with respect to this Application should be directed to:

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## **I. BACKGROUND**

Avista's Schedule 191 funds the Natural Gas Energy Efficiency Program described in the Company's Schedule 190. All revenue derived through Schedule 191 is applied only to the

provision of natural gas efficiency services including programs offered by the Company directly, through designated contractors, or as part of regional natural gas programs, as well as evaluation, measurement, and verification (“EM&V”) of the programs. These programs include, but are not limited to, behavioral programs, low-income weatherization, Northwest Energy Efficiency Alliance (NEEA) participation, and provision of incentives for various energy efficiency measures such as appliances, compressed air, HVAC, industrial, maintenance, motors, shell, and sustainable buildings. The Company’s programs are based on providing a financial incentive, or “rebate,” for cost-effective efficiency measures, or a direct customer benefit, such as a direct-install service or home energy audit. Avista also offers Midstream programs, through which incentives are paid to distributors to ensure that energy efficient HVAC and water heating equipment is always available in the market for customers to purchase.

While several metrics are applied to determine the costs and benefits of these programs, the Utility Cost Test (UCT) and the Total Resource Cost (TRC) test are most often utilized for purposes of determining cost-effectiveness and to provide insights into program efficacy.<sup>1</sup> Idaho’s energy efficiency programs focus primarily on the UCT as its benchmark for cost-effectiveness. Ratios over 1.0 illustrate that benefits exceed costs.

As of June 30, 2025, the current Schedule 191 tariff rider balance was approximately \$2.9 million overfunded. Overfunded balances indicate that more tariff rider funding was collected than actually needed to support the ongoing operations of the Natural Gas Energy Efficiency Program. This overfunded balance was driven primarily by lower than expected participation in both

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<sup>1</sup> The Total Resource Cost test measures the net costs of an energy efficiency program as a resource option based on the total costs of the program, including both the participants' and the utility's costs. Further, it includes the impact of any quantifiable non-energy impacts that may be associated with the equipment installed. In comparison, the Utility Cost Test measures the net costs of an energy efficiency program as a resource option based on the costs incurred only by the program administrator (including incentive costs) and excluding any net costs incurred by the participant. The benefits are similar to the TRC benefits, however, exclude non-energy impacts; costs are therefore defined more narrowly.

commercial and residential programs. This decreased participation can be attributed to several factors, the most notable of which was a significant drop in the Company's avoided costs in 2024. For energy efficiency, lower avoided costs reduce the Company's ability to provide meaningful (i.e., high dollar amounts) incentives for customers, which directly impacts participation throughput and associated savings. Avista responded to these avoided cost changes by more aggressively managing the costs of its energy efficiency program – through actions like reducing the marketing activities for the Natural Gas Energy Efficiency Program – in an effort to preserve the overall cost-effectiveness of the natural gas portfolio.

Therefore, the Company is proposing to decrease rates collected in Schedule 191 to bring the forecasted tariff balance close to \$0 by October 31, 2028; this approach will provide an appropriate level of funding for Avista's Energy Efficiency Program for the next thirty-six (36) months and minimize the continued overcollection of tariff rider funds over this three-year period. By extending the collection period over a longer period of time, the Company is attempting to align the collection of revenue in Schedule 191 more closely with the annual Program budget, thus minimizing the future rate impact to customers.

#### **IV. REQUEST FOR APPROVAL**

Avista is proposing a decrease in the rates and charges in Schedule 191, to become effective November 1, 2025. The estimated annual revenue change associated with this filing is an annual decrease of approximately \$3.1 million for natural Schedule 191, or a decrease of 3.5% in overall billed rates. Residential customers using an average of 64 therms per month would see their monthly bills decrease from \$64.74 to \$62.54, a decrease of \$2.20 per month, or 3.4%. Attachment A to this Application provides the corresponding workpapers and rate calculations for the revisions to the Energy Efficiency Rider Adjustment described herein. Additionally, the proposed revisions

to tariff Schedule 191 are provided as Attachment B to this filing, including the proposed revisions in legislative format per RP 121.

## **V. CUSTOMER NOTIFICATION**

In conformance with RP 125, this Application will be brought to the attention of the Company's customers by way of a customer notice, provided as Attachment C to this filing, which will be included in customer bills beginning in early August 2025 and run for a full billing cycle. Notice will also be given simultaneously with the filing, by posting of the Application to the Company's website at myavista.com.

## **VI. CONCLUSION**

Avista hereby respectfully requests the Commission issue its Order finding the proposed rates and charges in Schedule 191, attached to this Application as Attachment B, to be fair, just, reasonable and nondiscriminatory, and effective for natural gas service rendered on and after November 1, 2025, with this Application processed under the Commission's Modified Procedure rules through the use of written comments.

DATED this 31<sup>st</sup> day of July 2025.

Respectfully submitted,

Avista Utilities

By: /s/ Patrick Ehrbar  
Patrick D. Ehrbar, Director of Regulatory Affairs

AVISTA CORPORATION  
d/b/a Avista Utilities

SCHEDULE 191

ENERGY EFFICIENCY RIDER ADJUSTMENT - IDAHO

APPLICABLE:

To Customers in the State of Idaho where the Company has natural gas service available. This Energy Efficiency Rider or Rate Adjustment shall be applicable to all retail customers taking service under Schedules 101, 111, 112, 131, and 132. This Rate Adjustment, is designed to recover costs incurred by the Company associated with providing energy efficiency services and programs to customers. The Company may, at its discretion to match revenue under this schedule with demand for services under Schedule 190, reduce or increase this charge on an annual basis. Any change in this charge is subject to Commission approval and its review of the previous year expenditures under Schedule 190 and determinations with regard to any revenue carry forward, and prospective budget on an annual basis. Any annual expenditures exceeding annual collections when combined with any carry forward budget surplus shall be at the Company's risk of future recovery.

MONTHLY RATE:

The energy charges of the individual rate schedules are to be increased by the following amounts:

Schedule 101	\$0.01568 per Therm
Schedule 111 & 112	\$0.00711 per Therm
Schedule 131 & 132	\$0.00711 per Therm

SPECIAL TERMS AND CONDITIONS:

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 158.

Issued

July 31, 2025

Effective

November 1, 2025

Issued by  
By Avista Utilities

Patrick Ehrbar – Director of Regulatory Affairs



AVISTA CORPORATION  
d/b/a Avista Utilities

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ENERGY EFFICIENCY RIDER ADJUSTMENT - IDAHO

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MONTHLY RATE:

The energy charges of the individual rate schedules are to be increased by the following amounts:

Schedule 101	<del>\$0.04903</del> per Therm
Schedule 111 & 112	<del>\$0.02626</del> per Therm
Schedule 131 & 132	<del>\$0.02626</del> per Therm

SPECIAL TERMS AND CONDITIONS:

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 158.

Issued

September 2, 2022

Effective

November 1, 2022

Issued by  
By Avista Utilities

Patrick Ehrbar – Director of Regulatory Affairs



AVISTA CORPORATION  
d/b/a Avista Utilities

SCHEDULE 191

ENERGY EFFICIENCY RIDER ADJUSTMENT - IDAHO

APPLICABLE:

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Schedule 131 & 132	<u>\$0.00711</u> per Therm

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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 158.

Issued

July 31, 2025

Effective

November 1, 2025

Issued by  
By Avista Utilities

Patrick Ehrbar – Director of Regulatory Affairs

