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9

10 BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

11

12	IN THE MATTER OF THE POWER COST)	
13	ADJUSTMENT (PCA) ANNUAL RATE)	CASE NO. AVU-E-25-07
14	ADJUSTMENT FILING OF AVISTA)	APPLICATION OF AVISTA
15	CORPORATION)	CORPORATION

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18 **I. INTRODUCTION**

19 In accordance with Idaho Code §61-502 and RP 052, Avista Corporation, doing
20 business as Avista Utilities (hereinafter “Avista” or “Company”), at 1411 East Mission
21 Avenue, Spokane, Washington, respectfully files its Power Cost Adjustment (PCA) annual
22 rate adjustment filing in the above referenced case. The Company requests the Commission
23 issue an order approving the level of power costs deferred in the rebate direction for the
24 period July 1, 2024 through June 30, 2025, and approving a PCA rebate rate of 0.301¢ per
25 kilowatt-hour to be effective October 1, 2025. The Company requests that this filing be
26 processed under the Commission’s Modified Procedure Rules through the use of written
27 comments.

28 Communications in reference to this Application should be addressed to:

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25 **II. BACKGROUND**

26 Avista's PCA is used to track changes in revenues and costs associated with
27 variations in hydroelectric generation, secondary prices, thermal fuel costs, and changes in
28 power contract revenues and expenses. Avista's existing PCA methodology and method
29 of recovery were approved in Case No. AVU-E-07-01 by Order No. 30361 dated June 29,
30 2007. In that case, the Commission approved a change in the PCA methodology from a
31 trigger and cap mechanism to a single annual PCA rate adjustment filing requirement.

32 The Commission also approved a change in the method of the PCA deferral rate
33 adjustment from a uniform percentage basis, to a uniform cents per kilowatt-hour basis
34 effective with the October 1, 2007 PCA rate change. By Order No. 32206 in Case No.

1 GNR-E-10-03 dated March 15, 2011, the Commission modified the retail revenue credit
2 methodology and approved a Load Change Adjustment Rate based on the energy classified
3 portion of embedded production revenue requirement effective April 1, 2011.

4 The Commission approved the following procedural schedule for administering the
5 annual PCA filings:

6	August 1	Company filing for prior July – June deferral period
7	September 1	Review and comments by Staff and other interested parties
8	October 1	Commission Order/effective date of PCA rate adjustment
9		

10 The present PCA rebate was made effective on October 1, 2024. On July 31, 2024,
11 in Case No. AVU-E-24-07, Avista filed its annual PCA rate adjustment for the deferral
12 period July 1, 2022 through June 30, 2023 and requested a PCA rebate rate of 0.246¢ per
13 kilowatt-hour, based on an overall rebate of approximately \$7.9 million, effective October
14 1, 2024. That rebate will end on September 30, 2025. The Commission approved that
15 application in Order No. 36339, dated October 1, 2024 and Order No. 36294 dated October
16 30, 2024.

17 The proposed PCA rate adjustment of 0.301¢ per kilowatt-hour would rebate to
18 customers approximately \$9.6 million effective October 1, 2025. The rebate is primarily
19 associated with power supply costs that were lower than those included in retail rates, due
20 to higher off-system sales revenues. The net effect of the expiring rebate, and the proposed
21 rebate, is an overall decrease in revenue of approximately 0.5 percent, or \$1.756 million.

22

23 **III. DEFERRALS – JULY 1, 2024 THROUGH JUNE 30, 2025**

24 The amount of power cost deferrals for the period July 1, 2024, through June 30,
25 2025, is shown below, as well as interest for the same period. Company witness Mr.

1 Holland’s testimony provides an explanation of the factors causing the deferral entries for
2 the period. Company witness Ms. Brandon’s testimony addresses the deferral, Renewable
3 Energy Credit Benefit, and interest amount.

4	Power Supply Deferrals (July 2024 - June 2025)	\$	(5,177,764)
	Energy Imbalance Market Operations and Maintenance Expense	\$	324,712
5	Renewable Energy Credit Retirement Benefit	\$	(2,755,522)
	Interest	\$	(305,405)
6	Total Deferral Balance	\$	(7,913,979)

7 Quarterly reports have been filed with the Commission regarding actual PCA
8 deferral entries to date.¹ An additional copy of those reports for the quarters of Q3 2024,
9 Q4 2024, Q1 2025 and Q2 2025 been included with this filing and has also been provided
10 to Clearwater Paper Corporation and Idaho Forest Group.

11

12 **IV. PROPOSED RATE TO BE EFFECTIVE OCTOBER 1, 2025**

13 The Company is proposing a uniform cents per kilowatt-hour PCA rebate rate of
14 0.301¢ to be effective October 1, 2025 (from the present rebate rate of 0.246¢ per kilowatt-
15 hour). See page 1 of Ms. Brandon’s Exhibit No. AMB-1 for the calculation of the proposed
16 rate. Attached to this Application as Exhibit “A” is a copy of the proposed tariff, Schedule
17 66, which contains the proposed PCA rate. Exhibit “A” also includes the proposed changes
18 to Schedule 66 in strike out/underline format. The proposed rate is designed to rebate the
19 following:

¹ In Case No. AVU-E-23-08, Order No. 35937, the Company was directed to submit PCA reports, which must include the Power Transaction Register (PTR) and Gas Accounting Data Download (GADD) in Staff’s recommended file formats, to the Commission on a quarterly basis. The Company filed its first quarterly report on October 13, 2023, beginning with Q3 2023, which included the confidential PTR and GADD reports for that quarter. Subsequent quarterly filings of the alike have been made to date.

1	Power Supply Deferrals (July 2024 - June 2025)	\$	(4,853,052)
	Renewable Energy Credit Retirement Benefit	\$	(2,755,522)
2	Interest	\$	(305,405)
3	Total Deferral Balance	\$	(7,913,979)
4	Unamortized Balance from Previous Deferrals (prior to July 1, 2024)	\$	(4,044,204)
	Amortization July 2024 - June 2025	\$	960,538
5	Interest	\$	(304,792)
6	Total Remaining Amortization Balance	\$	(3,388,458)
7	PCA Year Ending June 30, 2025	\$	(11,302,437)
8	Projected Amortization and Total Interest (July 2025-September 2025)	\$	1,742,763
9	TOTAL BALANCE FOR AMORTIZATION	\$	(9,559,674)

11 After applying the conversion factor related to commission fees and uncollectible
12 customer accounts to the “Total Balance for Amortization” shown above, the resulting
13 credit balance of \$9,559,674 is divided by forecasted kilowatt-hours to derive the proposed
14 rebate rate of 0.301¢ per kilowatt-hour.²

15 Since PCA rate changes are spread on a uniform cents per kilowatt-hour basis, the
16 resulting percentage decreases vary by rate schedule. Page 1 of Ms. Brandon’s Exhibit No.
17 AMB-1 shows the effect of the proposed PCA rebate by rate schedule. The overall decrease
18 in revenue, after accounting for the expiration of the existing rebate, and the new rebate, is
19 approximately \$1.756 million or 0.5%. The revenue impact by rate schedule is as follows:

² Total Balance for Amortization (\$9,559,674) divided by conversion factor 0.995661 = (\$9,601,674).

Residential customers using an average of 939 kilowatt-hours per month would see their monthly bills decrease from \$104.30 to \$103.79, a decrease of \$0.51 per month, or 0.5%.

<u>Type of Service</u>	<u>Schedule Number</u>	<u>Percent change on Billed Revenue</u>
Residential	1	-0.4%
General Service	11,12	-0.6%
Large General Service	21,22	-0.4%
Extra Large General Service	25	-0.9%
Clearwater	25P	-0.6%
Pumping Service	31,32	-0.4%
Street & Area Lights	41-49	-0.1%
Total		-0.5%

V. REQUEST FOR RELIEF

The Company requests that the Commission issue an order approving power costs deferred for the period July 1, 2024 through June 30, 2025, and approving a PCA rebate rate of 0.301¢ per kilowatt-hour to be effective October 1, 2025. Under the Company's proposal, the PCA rate for all customers, including residential customers, would decrease from a rebate rate of 0.246¢ per kilowatt-hour to a rebate rate of 0.310¢ per kilowatt-hour. Since PCA rate adjustments are spread on a uniform cents per kilowatt-hour basis, the resulting percentage decrease varies by rate schedule. The overall decrease in revenue is approximately \$1.756 million or 0.5%. The Company requests that the matter be processed under the Commission's Modified Procedure rules through the use of written comments.

Dated at Spokane, Washington this 31st day of July 2025.

AVISTA CORPORATION

By: /s/ David Meyer
Vice President and Chief Counsel
Regulatory & Governmental Affairs

CASE NO. AVU-E-25-07

2025 Idaho PCA Filing

Exhibit “A”

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 0.301¢ 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, 2025

Effective October 1, 2025

Issued by Avista Utilities
By

Patrick Ehrbar – Director of Regulatory Affairs



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 ~~0.246¢~~ 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 ~~October 1, 2024~~

Effective October 1, 2024

Issued by Avista Utilities
By

Patrick Ehrbar – Director of Regulatory Affairs



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 0.301¢ 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, 2025Effective October 1, 2025

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By

Patrick Ehrbar – Director of Regulatory Affairs

