

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF THE APPLICATION</b>	)	<b>CASE NOS. AVU-E-15-05</b>
<b>OF AVISTA CORPORATION DBA AVISTA</b>	)	<b>AVU-G-15-01</b>
<b>UTILITIES FOR AUTHORITY TO</b>	)	
<b>INCREASE ITS RATES AND CHARGES FOR</b>	)	<b>NOTICE OF PROPOSED</b>
<b>ELECTRIC AND NATURAL GAS SERVICE</b>	)	<b>ADDENDUM TO</b>
<b>IN IDAHO</b>	)	<b>SETTLEMENT</b>
	)	
	)	<b>NOTICE OF</b>
	)	<b>MODIFIED PROCEDURE</b>
	)	
	)	<b>NOTICE OF COMMENT</b>
	)	<b>DEADLINE</b>
	)	
	)	<b>ORDER NO. 34043</b>

On April 10, 2018, Avista filed a Motion to approve an addendum to the approved stipulation in the above-captioned matter.

On December 18, 2015, the Idaho Public Utilities Commission approved a Settlement Stipulation in Avista’s 2015 general rate case. Therein, the Commission approved an electric and natural gas Fixed Cost Adjustment (“FCA”) Mechanism that went into effect on January 1, 2016. The FCA is a rate adjustment mechanism designed to break the link between the amount of energy a utility sells and the revenue it collects to recover the fixed costs of providing service to customers.

The Commission approved “an initial FCA term of 3 years, with a review of how the mechanisms have functioned conducted by Avista, Staff, and other interested parties following the end of the second full-year.” Order No. 33437 at 5. The approved Stipulation contained a provision that the Company “may seek to extend the term of the mechanism prior to its expiration.” Stipulation at 10. With the agreement of all the parties<sup>1</sup> participating in the underlying rate case, the Company now seeks to extend the FCA mechanism one year.

The Company stated that it is requesting the extension to better sync the Idaho Commission’s review of the mechanism with a review being conducted by an independent third-party of the Company’s decoupling mechanism in Washington State. The parties have agreed

<sup>1</sup> Although Clearwater Paper was a party to the underlying rate case, Clearwater Paper does not participate in the FCA mechanism, and takes no position here.

that this Commission will benefit from the results of the third-party study, and likewise agree to extend the terms of the approved settlement by one year.

With this Order, we provide notice of the addendum to the settlement, notice of proceeding by modified procedure, and set comment deadlines.

### **NOTICE OF PROPOSED ADDENDUM**

YOU ARE HEREBY NOTIFIED that the Addendum to the Stipulation proposes the following:

The approved Stipulation as described in paragraph 13, sub-section a, is as follows:

FCA Mechanisms Term. The Parties agree to an initial FCA term of 3 years, with a review of how the mechanisms have functioned conducted by Avista, Staff, and other interested parties following the end of the *second* full-year. Avista may seek to extend the term of the mechanism prior to its expiration.

The Parties agree to amend the Stipulation language as follows:

FCA Mechanisms Term. The Parties agree to an initial FCA term of 4 years, with a review of how the mechanisms have functioned conducted by Avista, Staff, and other interested parties following the end of the *third* full-year. Avista may seek to extend the term of the mechanism prior to its expiration.

Proposed Addendum to the Stipulation at 2 (emphasis supplied).

### **COMMISSION SETTLEMENT RULES**

YOU ARE FURTHER NOTIFIED that the Commission will review the proposed settlement consistent with Commission Rules 271-280.

YOU ARE FURTHER NOTIFIED that the Commission is not bound by the agreement of the signing parties. The Commission will independently review the proposed settlement to decide whether to approve it, reject it, or state conditions under which to accept it. The proposed settlement's proponents ultimately bear the burden to prove that it is just, fair, and reasonable, in the public interest, or otherwise in accordance with law or regulatory policy.

YOU ARE FURTHER NOTIFIED that the Application, Settlement, and forthcoming comments are available for public inspection during regular business hours at the Commission

offices. The Application is also available on the Commission's web site at [www.puc.idaho.gov](http://www.puc.idaho.gov). To access the documents, click on the "File Room" tab at the top of the Commission's webpage, scroll down to "Open Electric Cases," and then click on the case number as shown on the front of this document.

### NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filing in this action, and has preliminarily determined that the public interest may not require a formal hearing, and will thus proceed under Modified Procedure pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission's Rules of Procedure, IDAPA 31.01.01.201 through .204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that any person or party desiring to state a position on this Application may file a written comment in support or opposition with the Commission **no later than May 11, 2018**. The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this Application shall be mailed to the Commission and the Applicant at the addresses reflected below:

Commission Secretary  
Idaho Public Utilities Commission  
PO Box 83720  
Boise, ID 83720-0074

David Meyer  
Avista Corp.  
1411 E. Mission Ave, MSC 27  
Spokane, WA 99220-3727  
email: [david.meyer@avistacorp.com](mailto:david.meyer@avistacorp.com)

Street Address for Express Mail:  
472 W. Washington Street  
Boise, ID 83702-5918

Comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click the "Case Comment or Question Form" under the "Consumers" tab, and complete the comment form using the case number as it appears on the front of this document.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and

enter its Order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

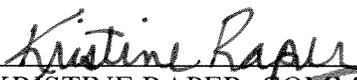
**ORDER**

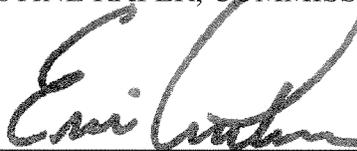
IT IS HEREBY ORDERED that the parties' Application to approve an Addendum to the Settlement shall be processed by Modified Procedure, Rule 201-204 (IDAPA 31.01.01.201-.204).

IT IS FURTHER ORDER that all persons or parties interested in submitting written comments must do so on or before May 11, 2018.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 25<sup>th</sup> day of April 2018.

  
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PAUL KJELLANDER, PRESIDENT

  
\_\_\_\_\_  
KRISTINE RAPER, COMMISSIONER

  
\_\_\_\_\_  
ERIC ANDERSON, COMMISSIONER

ATTEST:

  
\_\_\_\_\_

Diane M. Hanian  
Commission Secretary

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