

DECISION MEMORANDUM

TO: COMMISSIONER KJELLANDER
COMMISSIONER RAPER
COMMISSIONER ANDERSON
COMMISSION SECRETARY
COMMISSION STAFF

FROM: DAYN HARDIE
DEPUTY ATTORNEY GENERAL

DATE: JULY 25, 2019

SUBJECT: AVISTA'S APPLICATION FOR THE EXTENSION OF ITS ELECTRIC AND NATURAL GAS FIXED COST ADJUSTMENT MECHANISMS IN THE STATE OF IDAHO; CASE NOS. AVU-E-19-06 AND AVU-G-19-03.

On July 1, 2019, Avista Corporation ("Company") applied to the Commission requesting approval to: 1) extend its Fixed Cost Adjustment ("FCA") mechanisms for electric and natural gas service through March 31, 2025; 2) modify its upcoming deferral period to run from January 1, 2020 through June 30, 2021; 3) implement an annual true-up to its FCA mechanisms; and 4) extend its FCA quarterly reporting requirement from 45-days to 60-days. The Company requests that its Application be processed by modified procedure.

BACKGROUND

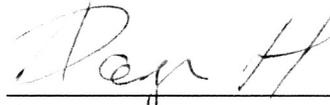
The Commission approved the Company's FCA as a three-year pilot program in part of the approved settlement of the Company's 2015 rate case. *See* Case Nos. AVU-E-15-05, AVU-G-15-01; Application at 3; and Order No. 33437 at 10. On June 15, 2018, the Commission approved an addendum to the settlement stipulation approved in Case Nos. AVE-E-15-05 and AVU-G-15-01, which extended the term of the Company's FCA pilot for an additional year, through December 31, 2019. *See* Order No. 34085. The Company, Commission Staff, and interested parties reviewed the effectiveness of the FCA mechanisms at a workshop on March 27, 2019, pursuant to Order Nos. 33437 and 34085. Application at 2, 4.

STAFF RECOMMENDATION

Staff recommends the Commission issue a Notice of Application and a Notice of Modified Procedure with a comment deadline of November 7, 2019 and reply comment deadline of November 18, 2019.

COMMISSION DECISION

Does the Commission wish to issue a Notice of Application and a Notice of Modified Procedure with a comment deadline of November 7, 2019 and reply comment deadline of November 18, 2019?



Dayn Hardie
Deputy Attorney General

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