



*Case Nos: AVU-E-18-06 and AVU-G-18-03*

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## **Avista proposes decrease to FCA for electric and natural gas service, comment deadlines set**

**BOISE (July 30, 2018)** – State regulators are accepting comments regarding proposals from Avista Utilities that would lower rates for electric and natural gas service.

Avista's annual Fixed Cost Adjustment (FCA) filings with the Idaho Public Utilities Commission call for decreases of nearly 5 percent for residential electric customers and 4.2 percent for residential natural gas service.

For the typical residential customer using 910 kilowatt-hours per month, that equates to a decrease of \$4.16 per month, taking the monthly electric bill from \$88.49 to \$84.33.

The change would take effect Oct. 1 and run through September 2019, if the Commission approves the proposal.

The proposed change to the natural gas FCA would take effect Nov. 1 and run through October 2019.

For the typical residential natural gas customer who uses an average of 63 therms per month, the proposed change would lower the monthly bill by \$2.03, taking it from \$48.31 to \$46.28.

The deadline to submit comments on the electric FCA proposal is Sept. 13, and the comment deadline for the natural gas FCA proposal is Sept. 20.

The FCA for each service is adjusted annually with Commission approval – via a surcharge when expenses exceed revenue or a rebate when FCA revenue surpasses costs.

It is designed to provide the utility with a financial incentive to promote energy efficiency and conservation among its customers.

When energy sales fall short of expectations due to decreased energy use among customers, the FCA allows Avista to recover its fixed costs.

Fixed costs include those associated with infrastructure, including power lines and poles, and employee salaries.

While these expenses remain relatively stable, a utility's energy sales, and therefore revenue, fluctuate due to a number of factors, including weather and conservation or efficiency measures.

Avista said the proposed changes to the FCA mechanisms are due primarily to higher energy use among customers in 2017, in part because of a winter that was colder than normal.

If the Commission approves the company's electric FCA proposal, residential customers would see a rebate of 0.176 per kilowatt-hour.

If the Commission approves Avista's proposal for natural gas service, the FCA would be a rebate of 0.766 cents per therm for residential customers.

A year ago, the Commission OK'd increases to the FCA for both electric and natural gas service, based on a significant drop in energy use among customers over the previous year.

For residential electric and natural gas service, the FCA increased by 3 percent in 2017, the maximum allowed.

Avista provides natural gas service to approximately 82,000 customers in north Idaho. About 130,000 Idahoans receive electric service from the utility.

All documents related to Avista's application for the electric FCA can be found [here](#). Information related to the natural gas FCA filing can be found [here](#).

Written comments can be submitted via mail to the Idaho Public Utilities Commission, PO Box 83720, Boise, ID 83720-0074, or via email by going [here](#). Or, go to the Commission's web site, [www.puc.idaho.gov](http://www.puc.idaho.gov), and click on Case Comment Form under either the Electric or Natural Gas header. Please include the case number – AVU-E-18-06 for the electric FCA and AVU-G-18-03 for the natural gas FCA.