

Avista reaches settlement on electricity, gas rate increases in Idaho

One Moscow resident speaks out at public hearing

By Pamela Robel, Daily News staff writer

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Thomas Campbell said he was disappointed in Avista's request for a rate increase during a public hearing by the Idaho Public Utilities Commission on Tuesday.

"I can't see how they can justify this. You've got a monopoly," Campbell said, adding he believed the public trust was being violated by the rate increase. "I can understand a business making money, except when it's a monopoly."

About 10 people attended the public hearing, and many were [Avista](#) employees. Campbell was the lone Moscow resident to speak to the commission.

Commissioner Mack Redford announced at the outset of the meeting that a tentative rate increase settlement had been agreed upon Tuesday that would allow for a 1.9-percent electric increase for residential customers. Natural gas rates would increase by 2.11 percent but would be offset by purchase cost gas adjustments, which would result in no cost increases for customers.

A customer whose monthly electricity bill is normally about \$80 would see about a \$1.50 increase if the new rates are approved.

Avista Vice President of State and Federal Regulation Kelly Norwood said the rate increases would allow Avista to comply with new [Federal Energy Regulatory Commission](#) standards for how electricity is transmitted and provide capital for further investment in the company's infrastructure.

The last rate increase Avista received was in October 2008, when the commission approved an 11.98-percent increase in electric rates and a 4.7-percent increase in natural gas rates, according to information provided to those who attended the meeting.

According to the document, the last increase prior to 2008 was in 2004.

Earlier this month, the commission approved a 6.7-percent decrease in Idaho natural gas rates due to a drop in wholesale prices.

Commissioner Jim Kempton said Campbell's comments were typical of what the commission has been hearing via e-mail from people around the state.

"It's not surprising," he said.

Kempton said the commission's job was to weigh both sides of the argument and come to a conclusion that is fair for everyone concerned.

"We try to look at both sides. When the (tentative agreement) comes out, I think the public will agree the public interest has been considered and that it's just, fair, and reasonable for both sides," Kempton said.

Campbell said he believed the rate increase was Avista's way of covering their "own patooties" and that Avista should forego the rate increase right now.

"I think you people, as a public trust, should stand up and say, 'Hey, look, forget about the 4 percent,' " Campbell said.

Correction: Incorrect rate information Avista Utilities has reached a settlement on its request for electric and gas rate increases in Idaho. The 1.9-percent increase in electric rates is for residential customers. The 2.11-percent increase in natural gas rates would be offset, according to Avista, by a purchase gas adjustment so customers would see no increase on their utility bill for natural gas. The story above has been changed to reflect these corrections.

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