

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND)	DOCKET NO. UG-031361
TRANSPORTATION)	
COMMISSION,)	ORDER NO. 1
)	
Complainant,)	
)	COMPLAINT AND ORDER
v.)	SUSPENDING TARIFF;
)	GRANTING LESS THAN
Avista Corp., d/b/a/ Avista)	STATUTORY NOTICE;
Utilities,)	ALLOWING RATES ON A
)	TEMPORARY BASIS SUBJECT TO
Respondent.)	REFUND
.....)	

BACKGROUND

- 1 On August 26, 2003, Avista Utilities, (Avista or Company) filed with the Commission revisions to its currently effective Tariff WN U-29, designated as Fourth Revision Sheet 155 and Seventh Revision Sheet 156. The stated effective date is September 29, 2003. Avista has requested that these revisions become effective September 11, 2003 on less than statutory notice. This filing is Avista’s periodic Purchased Gas Adjustment (PGA) and Deferral Amortization filing.
- 2 The filing would increase charges and rates for service provided by Avista by approximately \$11.9 million (8.7%). Because those increases might injuriously affect the rights and interests of the public and Avista has not demonstrated that the increases would ultimately result in rates that are fair, just and reasonable, the Commission suspends the tariff filing but allows the rates to become effective on a LSN basis on September 11, 2003, subject to refund, and will hold public hearings if necessary.
- 3 RCW 80.28.060 and WAC 480-80-121 require thirty days’ notice prior to the effective date of the tariff. The tariff sheets bear an inserted effective date of

September 29, 2003. This date recognizes statutory notice as required. The Company requests, however, less than statutory notice as permitted by RCW 80.28.060 and in WAC 480-80-122, so that the tariff revisions become effective September 11, 2003. This Docket is a refiling of Avista's PGA in Docket No. UG-031253 which had a stated effective date of September 5, 2003, and included the proper notice period. The amount of rate increase sought and the issues involved in Docket No. UG-031253 and this Docket are substantially the same. Accordingly, Avista has shown good cause for LSN treatment.

FINDINGS AND CONCLUSIONS

- 4 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, regulations, practices, accounts, securities, and transfers of property of public service companies, including gas companies. *RCW 80.01.040; Chapter 80.04 RCW; and Chapter 80.28 RCW.*
- 5 (2) Avista is a gas company and is a public service company subject to the jurisdiction of the Commission.
- 6 (3) This matter was brought before the Commission at its regularly scheduled meeting on September 10, 2003.
- 7 (4) Avista is subject to the provisions of RCW 80.28.060 and WAC 480-80-121 requiring gas companies to file changes in any rate or charge with thirty days' notice. For good cause shown, however, the Commission may allow changes without requiring thirty days' notice by order specifying the changes to be made and the time when it shall take effect. *RCW 80.28.060 and WAC 480-80-122.*

- 8 (5) The tariff revisions filed by Avista on August 26, 2003, would increase charges and rates for service provided by Avista, and might injuriously affect the rights and interest of the public. The issue of capacity optimization benefits within the Benchmark Mechanism is brought within the context of Avista's Purchased Gas/Deferral Amortization filing. The Commission finds it reasonable to allow the rates to become effective, subject to later adjustment through the deferred gas cost account.
- 9 (6) Avista has not yet demonstrated that the tariff revisions would ultimately result in rates that are fair, just and reasonable.
- 10 (7) In order to carry out the duties imposed upon the Commission by law, and as authorized in RCW 80.04.130 and RCW 80.04.220, the Commission believes it is necessary to investigate this tariff filing, which will involve an investigation of Avista's books, accounts, practices and activities, and to investigate and appraise various phases of Avista's operations.
- 11 (8) As required by RCW 80.04.130 (2), Avista bears the burden of proof to show that the proposed increases are fair, just and reasonable. Nothing in Paragraph 7(5) above is intended to limit the issues as to the fairness, justness and reasonableness of the proposed increases.
- 12 (9) In addition, the Commission invokes the rights, remedies and procedures contained in the reparations statute, RCW 80.04.220, to the extent the Commission finds that any rate subject to this investigation is excessive or exorbitant.
- 13 (10) Avista may be required to pay the expenses reasonably attributable and allocable to such an investigation to the extent the requirements for such payment are in accordance with the provisions of Chapter 80.20 RCW.

ORDER

THE COMMISSION ORDERS:

- 14 (1) The tariff revision(s) filed on August 26, 2003, are suspended.
- 15 (2) The PGA/Deferral Amortization rate increase sought by Avista Utilities should be allowed to become effective on September 11, 2003, on a temporary basis, subject to later adjustment through the deferred gas cost account.
- 16 (3) The request by Avista Utilities for the tariffs to go into effect on a less than statutory notice is granted, subject to the conditions stated in Paragraph 15(2) above.
- 17 (4) The Commission will hold hearings at such times and places as may be required.
- 18 (5) Avista Utilities must not change or alter the tariffs filed in this docket during the suspension period, unless authorized by the Commission.
- 19 (6) The Commission will institute an investigation of Avista Utilities' books, accounts, practices, activities, and operations as described above.
- 20 (7) Avista Utilities shall pay the expenses reasonably attributable and allocable to the Commission's investigation to the extent the requirements for such payment are in accordance with the provisions of Chapter 80.20 RCW.

DATED at Olympia, Washington, and effective this 10th day of September, 2003.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARILYN SHOWALTER, Chairwoman

PATRICK J. OSHIE, Commissioner