

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

AVISTA CORPORATION d/b/a
AVISTA UTILITIES

For Order Approving an Agreement for
the Purchase and Sale of the Cheney and
Four Lakes Tap Lines and the Transfer of
Ownership Agreement between Avista
Corporation and Bonneville Power
Administration.

DOCKET UE-180720

ORDER 01

GRANTING PETITION

BACKGROUND

- 1 On August 28, 2018, Avista Corporation d/b/a Avista Utilities (Avista or Company) filed with the Washington Utilities and Transportation Commission (Commission) a petition pursuant to WAC 480-143-120 seeking approval of an agreement for the transfer of a 230 kV breaker to the Bonneville Power Administration (BPA) in exchange for approximately 15 miles of transmission assets (Petition).
- 2 The 230 kV breaker is located at BPA’s Hatwai Substation Northeast of Lewiston, Idaho. Owing this breaker has created burdensome compliance difficulties for both Avista and BPA, including difficulties for Avista in accessing and maintaining the breaker.
- 3 In exchange for Avista’s 230 kV breaker, BPA will transfer tap lines consisting of approximately 15 miles of 115 kV transmission assets that reside within Avista’s Balancing Authority Area. These tap lines are located at Airway Heights, Washington, and provide transmission interconnection and load service to two BPA wholesale customers for whom Avista provides Network Integration Transmission Service. The tap lines are also entirely surround by Avista’s transmission system, which has made it difficult for BPA to access its tap lines.
- 4 According to the Company, the “Transactions are necessary to enable both parties to better comply with mandatory reliability standards governing maintenance of bulk electric system equipment. The Transactions eliminate Avista’s ownership of an asset

inside one of BPA's stations, thereby simplifying operation and maintenance responsibilities." The Petition states that there are no rate effects associated with the transfer.

5 Commission staff (Staff) has reviewed the Petition and believes that the proposed transfer is consistent with both the Commission's property transfer rules and the public interest as required by WAC 480-143-170. Staff recommends the Commission grant the Company's Petition.

DISCUSSION

6 We agree with Staff that the proposed transfer is consistent with the public interest and the Commission's property transfer rules, and that the Petition should be granted.

7 Approving this transaction will relieve Avista of the costs associated with accessing and maintaining its breaker inside BPA's substation which, in turn will offset the costs and expenses of maintaining the tap lines it receives from BPA in exchange. Notably, the transaction will also enhance compliance with reliability standards, simplify operation and maintenance responsibilities, and reduce administrative burdens.

8 For these reasons, we find that Avista's proposed transfer and property acquisition are consistent with applicable Commission rules and that this proposed transfer is in the public interest. Accordingly, we conclude that the Petition for approval of the proposed transfer of Avista's 230 kV breaker to BPA and Avista's acquisition of approximately 15 miles of transmission assets from BPA should be granted.

FINDINGS AND CONCLUSIONS

9 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including electric companies.

10 (2) Avista is a public service company subject to Commission jurisdiction.

11 (3) WAC 480-143-120 requires any public service company to apply for and obtain commission approval prior to completing a transfer of property necessary or useful to perform its public duties.

12 (4) WAC 480-143-170 allows the Commission to approve any proposed transaction

that it finds is consistent with the public interest.

- 13 (5) Staff has reviewed the Petition, believes the proposed transaction is consistent with the public interest and complies with Commission rules, and recommends that the Commission grant the Petition.
- 14 (6) This matter came before the Commission at its regularly scheduled meeting on January 31, 2019.
- 15 (7) After reviewing Avista's petition filed in Docket UE-180720 on August 28, 2018, and giving due consideration to all relevant matters and for good cause shown, the Commission finds the Petition is consistent with the public interest, complies with Commission rules, and should be granted.

ORDER

THE COMMISSION ORDERS:

- 16 (1) Avista Corporation d/b/a Avista Utilities' request for approval of the transfer of its 230 kV breaker at the Bonneville Power Administration's Hatwai Substation in exchange for 15 miles of the Bonneville Power Administration's 115 kV transmission assets located at Airway Heights, Washington is granted.
- 17 (2) This Order shall not affect the Commission's authority over rates, services, accounts, valuations, estimates, or determination of costs, on any matters that may come before it. Nor shall this Order be construed as an agreement to any estimate or determination of costs, or any valuation of property claimed or asserted.
- 18 (3) The Commission retains jurisdiction over the subject matter and Avista Corporation d/b/a Avista Utilities to effectuate the provisions of this Order.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Olympia, Washington, and effective January 31, 2019.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK L. JOHNSON, Executive Director and Secretary