

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

AVISTA CORPORATION d/b/a  
AVISTA UTILITIES

2019 Pipe Replacement Program Plan

DOCKET PG-190412

ORDER 01

APPROVING AVISTA CORPORATION  
d/b/a AVISTA UTILITIES' 2019 PIPE  
REPLACEMENT PROGRAM PLAN

**BACKGROUND**

- 1* On December 31, 2012, the Washington Utilities and Transportation Commission (Commission) issued its Policy on Accelerated Replacement of Pipeline Facilities with Elevated Risk (Policy Statement).<sup>1</sup> As required by the Policy Statement, each investor-owned gas pipeline utility company filed a Master Plan for replacing pipe that represents an elevated risk of failure in 2013.
- 2* The Policy Statement also requires each investor-owned gas pipeline utility company to file a pipeline replacement plan (PRP) every two years for replacing pipe that represents an elevated risk of failure, beginning June 1, 2013.<sup>2</sup> Each company's plan must include the following:<sup>3</sup>
- 1) A Master Plan for replacing all facilities with an elevated risk of failure;
  - 2) A Two-Year Plan that specifically identifies the pipe replacement program goals for the upcoming two year period; and, if applicable,
  - 3) A Pipe Location Plan for identifying the location of pipe or facilities that present an elevated risk of failure.

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<sup>1</sup> Docket UG-120715 (December 31, 2012).

<sup>2</sup> *Id.* ¶ 43. Subsequent PRP filings should be filed by June 1 every two years thereafter (*i.e.*, June 1, 2015, 2017, 2019, etc.).

<sup>3</sup> *Id.* ¶ 42.

Each Plan must also: (1) target pipe or facilities that pose an elevated risk of failure; (2) be a measured and reasonable response in relation to the elevated risk without unduly burdening ratepayers; and (3) be in the public interest.<sup>4</sup> Finally, each Plan should contain a section analyzing its impact on rates.<sup>5</sup> Companies seeking to recover costs must simultaneously file a proposed Cost Recovery Mechanism (CRM) with their Plan.

3 Avista Corporation d/b/a Avista Utilities (Avista or Company) filed their 2019-2021 Pipeline Replacement Plan (2019 Two-Year Plan) on May 24, 2019.

4 Avista's plan indicates that the following types of gas pipe with an elevated risk of failure are present within its Washington service area: Vintage Aldyl-A polyethylene mains,<sup>6</sup> PE service piping where it transitions to rigid steel service tees, and isolated steel, which historically may or may not have had adequate cathodic protection (the uncertainty is because this pipe was not electrically conductive with Avista's cathodic protection system(s)).

5 Avista's 2019 Two-Year Plan is materially unchanged from its 2017 Two Year Plan so no new Master Plan is necessary at this time. Avista is on schedule to meet the requirements of its Master Plan and Two-Year Plan.

6 Avista's Plan indicates that a Pipe Location Plan is not warranted because the Company knows where its elevated risk pipe is located. This pipe is already on a priority replacement schedule. Commission staff (Staff) agrees with the Company's determination not to include a Pipe Location Plan.

7 Staff concludes that Avista's 2019 Two-Year Plan, analyzed in conjunction with the Company's Distribution Integrity Management Plan (DIMP), is measured, and that its continuation is a reasonable response in relation to the elevated risks identified. Avista's plan adequately addresses facilities with an elevated risk of failure. Staff has previously audited Avista's DIMP and found that it addresses known threats and implements accelerated actions that adequately address those threats.

8 Staff recommends that the Commission approve Avista's 2019 Two-Year Plan filed on May 24, 2019.

## DISCUSSION

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<sup>4</sup> *Id.* ¶¶ 44-56.

<sup>5</sup> *Id.* ¶ 55.

<sup>6</sup> Pre-1984 manufacture and pre-1987 installation [susceptible to slow crack growth (SCG)].

9 The Commission agrees with Staff's recommendation and approves Avista's 2019 Two-  
Year Plan. We find that Avista's 2019 Two-Year Plan is consistent with our Policy  
Statement.

**FINDINGS AND CONCLUSIONS**

- 10 (1) The Commission is an agency of the State of Washington vested by statute with  
the authority to regulate the rates, rules, regulations, and practices of public  
service companies, including natural gas companies.
- 11 (2) Avista Utilities is a natural gas company and a public service company subject to  
Commission jurisdiction.
- 12 (3) Avista Utilities filed its 2019 Two-Year Plan with the Commission on May 24,  
2019.
- 13 (4) Avista Utilities' 2019 Two-Year Plan is a reasonable and measured approach to  
replacing pipeline facilities with an elevated risk of failure.

**ORDER**

**THE COMMISSION ORDERS:**

- 14 (1) Avista Corporation d/b/a Avista Utilities' 2019 Two-Year Plan is approved.
- 15 (2) Avista Corporation d/b/a Avista Utilities should file an updated Pipeline  
Replacement Program Plan for 2021-2023 no later than June 1, 2021.

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

DATED at Lacey, Washington, and effective September 26, 2019.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK L. JOHNSON  
Executive Director and Secretary