

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

AVISTA CORPORATION d/b/a  
AVISTA UTILITIES'

2021 Pipe Replacement Program Plan

DOCKET PG-210388

ORDER 01

APPROVING AVISTA'S 2021 PIPE  
REPLACEMENT PROGRAM PLAN

**BACKGROUND**

- 1 On December 31, 2012, the 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:<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 On May 28, 2021, Avista Corporation d/b/a Avista Utilities (Avista or Company) filed its 2021-2023 Pipeline Replacement Plan (2021 Two-Year Plan).

4 Avista's 2021 Two-Year 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.

5 Avista's 2021 Two-Year Plan is materially unchanged from its 2019 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 initiated replacement programs for each of the three types of identified elevated risk pipe prior to filing its initial Plan. As noted in previous Two-Year Plans, Avista substantially completed the PSE service tee to rigid steel transitions in 2017. Starting in 2022, Avista plans to increase the total Aldyl-A mileage replaced each year to remain on pace to complete the program within a 20-year timeframe. Avista plans on replacing 17.23 miles in 2022 and 18.9 miles in 2023.

7 Additionally, Avista's Isolated Steel Identification and Replacement Program will sunset in 2021. The program began in November 2011, and Avista has replaced 4,763 segments, with 36 remaining. These remaining segments are scheduled for completion in 2021.

8 Avista's 2021 Two-Year 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.

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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 Staff concludes that Avista's 2021 Two-Year Plan, analyzed in conjunction with the Company's Distribution Integrity Management Program (DIMP) is measured and 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, most recently in 2019, and found that it addresses known threats and implements accelerated actions that adequately address those threats.

10 Staff recommends that the Commission approve Avista's 2021 Two-Year Plan filed on May 28, 2021.

### **DISCUSSION**

11 The Commission agrees with Staff's recommendation and approves Avista's 2021 Two-Year Plan.

12 We agree with Staff that Avista's 2021 Two-Year Plan is consistent with our Policy Statement.

### **FINDINGS AND CONCLUSIONS**

13 (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.

14 (2) Avista is a natural gas company and a public service company subject to Commission jurisdiction.

15 (3) Avista filed its 2021 Two-Year Plan with the Commission on May 28, 2021.

16 (4) Avista 2021 Two-Year Plan is a reasonable and measured approach to replace pipeline facilities with an elevated risk of failure.

### **ORDER**

#### **THE COMMISSION ORDERS:**

17 (1) Avista Corporation d/b/a Avista Utilities' 2021 Two-Year Plan is approved.

18 (2) Avista Corporation d/b/a Avista Utilities should file an updated Pipeline Replacement Program Plan for 2023-2025 no later than June 1, 2023.

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 August 26, 2021.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK L. JOHNSON  
Executive Director and Secretary