

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

AVISTA CORPORATION d/b/a
AVISTA UTILITIES,

Petitioner,

For an Accounting Order Approving the
Deferral of All Insurance Proceeds
Received Related to the Failed
Transformer at its Coyote Springs 2
Generating Station

DOCKET UE-210893

ORDER 01

GRANTING ACCOUNTING
PETITION

BACKGROUND

1 On November 17, 2021, Avista Corporation d/b/a Avista Utilities (Avista or Company) filed with the Washington Utilities and Transportation Commission (Commission) a petition seeking an accounting order authorizing the Company to defer any insurance claim proceeds received related to the failures of equipment at the Coyote Springs 2 (CS2) natural gas generating facility (Petition). This filing complies with paragraph 204 of the Commission Order 08/05 in Docket UE-200900 et. al. (Order 08/05), which required Avista to file with the Commission (1) an accounting petition to defer the insurance clam proceeds associated with the CS2 Single Phase, and (2) an accounting petition to defer any insurance claim proceeds associated with any material future distribution infrastructure failure, such as a failed transformer, for which the Company submits an insurance claim.

2 Commission staff (Staff) has reviewed the Petition and believes that it complies with Order 08/05. Staff therefore recommends that the Commission grant the Company's Petition.

DISCUSSION

3 We agree with Staff that it is reasonable to grant Avista's request for deferral of all
insurance claim proceeds received due to the failure of equipment at the CS2 natural gas
generating facility.

4 By deferring all insurance claim proceeds received by Avista, this request preserves the
benefit for consideration at a future date. Ratepayers should benefit from this deferral by
receiving a credit of the insurance proceeds or an offset of the costs related to the failure
at CS2. Avista's proposed accounting treatment will have no impact on the Company's
rates at this time. Accordingly, we find that the proposed accounting treatment is in the
public interest and that Avista's Petition should be granted.

FINDINGS AND CONCLUSIONS

- 5 (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 and natural gas companies.
- 6 (2) Avista is an electric and natural gas company and a public service company
subject to Commission jurisdiction.
- 7 (3) WAC 480-07-370(3) allows companies to file petitions, including that for which
Avista seeks approval.
- 8 (4) The Commission has reviewed the Company's Petition and related supporting
documentation filed in Docket UE-210893.
- 9 (5) This matter came before the Commission at a regularly scheduled open meeting
on February 24, 2022.
- 10 (6) After reviewing Avista's Petition filed in Docket UE-210893 on November 17,
2021, and giving due consideration to all relevant matters and for good cause
shown, the Commission finds that the Company's Petition is consistent with the
public interest and should be granted.

ORDER

THE COMMISSION ORDERS:

- 11 (1) Avista Corporation's d/b/a Avista Utilities request to petition seeking an accounting order authorizing the Company to defer all insurance claim proceeds received related to the failures of equipment at the Coyote Springs 2 natural gas generating facility.
- 12 (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. This Order shall not be construed as an agreement to any estimate or determination of costs or benefits, or any valuation of property claimed or asserted.
- 13 (3) The Commission retains jurisdiction over the subject matter and Avista Corporation d/b/a Avista Utilities to effectuate the provisions of this Order.
- 14 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 February 24, 2022.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

AMANDA MAXWELL
Executive Director and Secretary