



UE-210949

# ATTORNEY GENERAL OF WASHINGTON

Public Counsel

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January 4, 2023

**SENT VIA WUTC WEB PORTAL**

Amanda Maxwell  
Executive Director and Secretary  
Washington Utilities and Transportation Commission  
621 Woodland Square Loop SE  
Lacey, WA 98503

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State Of WASH.  
UTIL. AND TRANSP.  
COMMISSION

Re: *In re: Petition of Avista Corporation d/b/a Avista Utilities for Order Authorizing Deferral of Costs associated with the Company's Investment in the Turner Energy Storage Project,*  
Docket UE-210949

Dear Director Maxwell:

The Public Counsel Unit of the Washington State Attorney General's Office (Public Counsel) respectfully submits these comments in advance of the January 12, 2023, Open Meeting. These comments are in response to Avista's revised petition for an order authorizing the deferral of costs associated with the Company's investment in the Turner Energy Storage Project (TES), filed December 12, 2022.

***Public Counsel's Recommendation***

Public Counsel recommends that if the Commission approves Avista's accounting petition, that it clearly states that its approval bears no weight on the evaluation of prudence of the project, and that prudence will be evaluated when Avista requests cost recovery at a later time.

On December 12, 2022 Avista filed a revised accounting petition requesting deferring accounting for its remaining investment in TES. TES was an energy storage pilot project that ultimately failed shortly after its completion. The revised petition removes interest and any site restoration costs from the deferral request. Public Counsel supports these revisions.

Public Counsel is not specifically concerned with the request for deferred accounting of the TES investment. Rather, Avista makes broad statements regarding prudence in its petition that are outside the scope of the request and concerning. Prudence is not under consideration in this Docket. Specifically, Avista made the following statements:

To: Amanda Maxwell, Executive Director and Secretary  
Re: *In re: Petition of Avista Corporation d/b/a Avista Utilities for Order Authorizing Deferral of Costs associated with the Company's Investment in the Turner Energy Storage Project*  
Dockets UE-210949  
Date: January 4, 2023  
Page 2 of 2

- “In the end, the project and investment was *prudent*, but as with any new technology, failures can happen.”<sup>1</sup>
- “In the end, this was a *prudent* “test project” that simply did not pan out as intended ...”<sup>2</sup>
- “Avista requests authorization to defer for later ratemaking treatment its *prudently* incurred investment ... offset by the deferral of the depreciation expense that is currently being recovered ...”<sup>3</sup>

A full evaluation of the prudence of the investment should take place in a general rate case or other adjudicated proceeding where parties will have the opportunity for discovery, and the Commission can hear testimony from all parties. Should the Commission approve the deferred accounting petition, it should make clear to Avista that its approval is not evidence in support of a future finding of prudence of the project and that prudence will be evaluated when Avista requests cost recovery from ratepayers. Public Counsel looks forward to evaluating the project further at a later date.

Public Counsel appreciates the opportunity to submit these comments. If you have any questions about this filing, please contact Shay Bauman at (206) 389-3040 or via e-mail at [Shay.Bauman@ATG.WA.GOV](mailto:Shay.Bauman@ATG.WA.GOV).

Sincerely,

/s/ 

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<sup>1</sup> Revised Petition of Avista Corp., ¶ 15, *In re: Petition of Avista Corp., d/b/a Avista Utils. For an Order Authorizing Deferral of Costs Associated with the Co.'s Investment in the Turner Energy Storage Project*, Docket UE-210949 (filed Dec. 12, 2022).

<sup>2</sup> *Id.*

<sup>3</sup> *Id.* ¶ 28.