

Agenda Date: January 15, 2008
Item Number: A1

Docket: UG-082271
Company Name: Avista Corporation

Staff: Danny Kermode, Regulatory Analyst

Recommendation

Enter an order granting an exemption of notice requirements and allowing the proposed tariff revision to become effective January 16, 2009, on less than statutory notice.

Discussion

On December 30, 2008, Avista Corporation (Avista) filed a revision to its tariff schedule 155 that would decrease rates for residential and commercial customers. The proposed decrease reflects the effect of lower wholesale natural gas prices.

Wholesale natural gas prices have continued to decline since Avista's most recent Purchased Gas Adjustment (PGA) was allowed to become effective in November 2008. Consequently, the deferred credit balance that is refundable to Avista's customers has grown to approximately \$11.5 million as of the end of November 2008. The company's filing proposes to adjust the amortization rates reflected in its tariff to allow a larger refund than contemplated under the prior PGA filing. The revised tariff as proposed would refund to ratepayers approximately \$9.2 million from mid-January through October 2009, or \$4.2 million more than what the company would refund under its current tariff. The company's proposal would result in a monthly bill reduction of \$2.60 for an average customer using 70 therms per month.

Although the company filed the tariff with an effective date of January 31, 2009, consistent with commission rules, the company requests the commission allow the proposed tariff revision take effect January 16, 2009. Staff will review the prudence of the deferred gas costs in the company's next annual PGA filing.

Avista believes the commission should allow the tariff to become effective earlier than its filed effective date because it is important, given the present state of the economy and higher winter usage, that the requested reduction be passed on to its customers as soon as feasible.

RCW 80.28.060 and WAC 480-80-121 require thirty days' notice to the commission prior to the effective date of the tariff. The company requests the commission to waive the statutory notice.

WAC 480-90-194 requires 30-day prior notice to customers of the proposed tariff changes. The company requests the commission for an exemption from the requirements in WAC 480-90-194.

Conclusion

Staff has reviewed Avista's proposed revised deferral amortization calculation and finds it reasonable. Staff believes Avista has demonstrated good cause for its request for Less than Statutory Notice and recommends the commission enter an order granting an exemption of notice requirements allowing the proposed tariff revision to become effective January 16, 2009, on less than statutory notice.