

Agenda Date: May 28, 2009
Item Number: A5

Docket: UG-090767
Company Name: Avista Corporation

Staff: Danny Kermode, Regulatory Analyst

Recommendation

Enter an order granting an exemption from notice requirements and allowing the proposed tariff revision to become effective June 1, 2009, on less than statutory notice.

Discussion

On May 18, 2009, Avista Corporation (Avista) filed with the Utilities and Transportation Commission (commission) a revision to its tariff schedule 155 that would decrease rates for residential and commercial customers. The proposed decrease reflects the effect of continued lower wholesale natural gas prices.

Although Avista decreased its natural gas rates to its customers last January wholesale natural gas prices have continued to decline. Consequently, the company has filed for an additional decrease in its rates for its customers. The revised tariff as proposed would refund to ratepayers approximately \$18.7 million on an annual basis starting on June 1, 2009. The company's proposal would result in a monthly bill reduction of \$7.02 for an average customer using 70 therms per month.

Although the company filed the tariff with an effective date of June 19, 2009, consistent with commission rules, the company requests the commission allow the proposed tariff revision take effect June 1, 2009. Staff will review the prudence of the deferred gas costs in the company's next annual PGA filing.

Because of customer concerns regarding lower natural gas costs and the on-going recession along with a higher than projected deferral amount due to higher than expected winter usage, Avista believes the commission should allow the tariff to become effective earlier than its filed effective date.

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 waive the statutory notice.

Conclusion

Staff has reviewed Avista's proposed 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 from notice requirements allowing the proposed tariff revision in Docket UG-090767 to become effective June 1, 2009, on less than statutory notice.