

**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 Authorizing
Deferred Accounting Treatment for Puget
Sound Energy’s Increased Costs
Associated with the Updated WUTC
Regulatory Fee Approved in Senate Bill
5634 (2022)

DOCKET UE-220892 and UG-220893

ORDER 01

GRANTING ACCOUNTING
PETITION

BACKGROUND

- 1 On December 2, 2022, Avista Corporation d/b/a Avista Utilities (Avista or Company) filed with the Washington Utilities and Transportation Commission (Commission) a petition, assigned to Docket UE-220892 for electric and UG-220893 for natural gas, seeking an accounting order under WAC 480-07-370 authorizing Avista to utilize deferred accounting treatment for the Company’s increased costs associated with the updated Commission regulatory fees approved in Senate Bill 5634 (SB 5634) in 2022.
- 2 On January 4, 2023, Avista filed a revised petition (Revised Petition) updating the requested interest rate from weighted average cost of debt to actual cost of debt.
- 3 SB 5634, codified as RCW 80.24.010, was signed into law on March 24, 2022, by Governor Jay Inslee, and became effective on June 9, 2022. This law raised the Commission’s regulatory fee from 0.2 percent to 0.4 percent of “gross operating revenue from intrastate operations for the preceding calendar year.” These amounts are payable to the Commission in May 2023. This increase in fees is not accounted for in current rates.
- 4 In its Revised Petition, Avista asks to track the costs of the updated regulatory fees in deferred Federal Energy Regulatory Commission (FERC) account 186 - and that interest accrue on the deferral at the Company’s actual cost of debt, which will be updated semi-annually.

5 Avista will seek recovery of this deferral in its next general rate case, and the deferral
will end after the new approved rates go into effect.

6 The threshold for granting accounting petitions is a demonstration of extraordinary
circumstances. Avista contends that the regulatory fee law is an extraordinary
circumstance because it is beyond the Company's control, and the cost is material.

7 Commission staff (Staff) recommends that the Commission grant the request for the
deferral of increased regulatory fees with interest accruing at the actual cost of debt,
updated semi-annually. Staff recommends that the semi-annual update occur on July 1
and January 1.

DISCUSSION

8 We grant Avista's Revised Petition. We agree that this regulatory fee increase is an
extraordinary circumstance because this is a cost beyond the Company's control. We
believe that tracking this cost in FERC account 186 is appropriate, and that incurring
interest at the Company's cost of debt, updated semi-annually, is fair.

9 We also agree with Staff that the actual cost of debt should be updated semi-annually on
July 1 and January 1, which will compensate the Company for the actual cost of
acquiring the money.

FINDINGS AND CONCLUSIONS

10 (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.

11 (2) Avista is a public service company regulated by the Commission, providing
service as an electric and natural gas company.

12 (3) The Commission has jurisdiction over the subject matter of this proceeding and
over Avista.

13 (4) WAC 480-07-370(3) allows companies to file petitions including that for which
Avista seeks approval.

- 14 (5) Staff has reviewed the Revised Petition in Dockets UE-220892 and UG-220893 including related work papers.
- 15 (6) Staff recommends the Commission grant the Revised Petition.
- 16 (7) This matter came before the Commission at its regularly scheduled meeting on January 26, 2023.
- 17 (8) After reviewing Avista's Revised Petition filed in Dockets UE-220892 and UG-220893 on December 2, 2022, and giving due consideration to all relevant matters and for good cause shown, the Commission finds that the Revised Petition is consistent with the public interest and should be granted.

ORDER

THE COMMISSION ORDERS:

- 18 (1) Avista Corporation d/b/a Avista Utilities' Petition for an Accounting Order Authorizing Deferred Accounting Treatment for Puget Sound Energy's Increased Costs Associated with the Updated WUTC Regulatory Fee Approved in Senate Bill 5634 (2022) is granted.
- 19 (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. Nor shall this Order granting Petition be construed as an agreement to any estimate or determination of costs, or any valuation of property claimed or asserted.
- 20 (3) The Commission retains jurisdiction over the subject matter and Avista Corporation d/b/a Avista Utilities to effectuate the provisions of this Order.

DATED at Lacey, Washington, and effective January 26, 2023.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chair

ANN E. RENDAHL, Commissioner

MILTON H. DOUMIT, Commissioner