

[Service Date May 3, 2007]

**BEFORE THE WASHINGTON STATE  
UTILITIES AND TRANSPORTATION COMMISSION**

|                          |   |                             |
|--------------------------|---|-----------------------------|
| WASHINGTON UTILITIES AND | ) | DOCKET UE-070804            |
| TRANSPORTATION           | ) |                             |
| COMMISSION,              | ) | DOCKET UG-070805            |
|                          | ) |                             |
| Complainant,             | ) | ORDER 01                    |
|                          | ) |                             |
| v.                       | ) |                             |
|                          | ) | COMPLAINT AND ORDER         |
| AVISTA CORPORATION d/b/a | ) | SUSPENDING TARIFF REVISIONS |
| AVISTA UTILITIES,        | ) | AND ORDER OF                |
|                          | ) | CONSOLIDATION               |
| Respondent.              | ) |                             |
|                          | ) |                             |
| .....                    | ) |                             |

**BACKGROUND**

- 1     On April 26, 2007, Avista Corporation d/b/a Avista Utilities (Avista or Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff WN U-28, Electric Service in Docket UE-070804, and revisions to its currently effective Tariff WN U-29, Gas Service in Docket UG-070805, as listed in the appendix attached to this Order. The stated effective date of the proposed tariff revisions is June 1, 2007. The purpose of the filings is to increase the Company's rates and charges for its electric service and natural gas service to customers in Washington. The Company requests an electric rate increase of \$51.1 million, or 10.2 percent, and a gas rate increase of \$4.5 million, or 2.3 percent.
  
- 2     Following the Commission's direction in a prior docket,<sup>1</sup> Avista requested expedited entry of a Commission complaint and order suspending the tariff pages filed on April 26, 2007.

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<sup>1</sup> *In the Matter of the Petition of Avista Corporation d/b/a Avista Utilities For an Order Approving Avista's Update of its Base Power Supply and Transmission Costs*, Docket UE-061411, Order 04, Paragraph 30, Dec. 26, 2006.

- 3 The Commission finds that the filings would increase charges and rates for service provided by Avista. Because these increases might injuriously affect the rights and interests of the public and Avista has not demonstrated that the increases would result in rates that are fair, just and reasonable, the Commission suspends the tariff filings and will hold public hearings if necessary to determine whether the proposed increases are fair, just and reasonable.
- 4 Avista asked that discovery be authorized. The matter is one that qualifies for discovery, and the discovery rules, WAC 480-07-400 through 425, are invoked. The Commission urges the parties to work cooperatively together to avoid having to bring discovery disagreements forward for formal resolution.
- 5 The matters in the two dockets appear to involve related facts and principles of law. It is appropriate that they be consolidated for hearing and determination pursuant to WAC 480-07-320.

### FINDINGS AND CONCLUSIONS

- 6 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, regulations, practices, accounts, securities, and transfers of public service companies, including electric companies. *RCW 80.01.040, RCW 80.04, RCW 80.28, RCW 80.08 and RCW 80.12.*
- 7 (2) Avista is an electric company and a gas company and is a public service company subject to the jurisdiction of the Commission.
- 8 (3) The tariff revisions filed by Avista Corporation, d/b/a Avista Utilities on April 26, 2007, would increase charges and rates for service provided by Avista, and might injuriously affect the rights and interests of the public.
- 9 (4) Avista has not yet demonstrated that the tariff revisions would result in rates that are fair, just and reasonable.

- 10      (5)      In order to carry out the duties imposed upon the Commission by law, and as authorized in RCW 80.20.020, the Commission believes it is necessary to investigate Avista's books, accounts, practices and activities; to make a valuation or appraisal of Avista's property; and to investigate and appraise various phases of Avista's operations. Avista may be required to pay the expenses reasonably attributable and allocable to such an investigation to the extent the requirements for such payment are in accordance with the provisions of RCW 80.20.
- 11      (6)      As required by RCW 80.04.130 (4), Avista bears the burden of proof to show that the proposed increases are fair, just and reasonable.

### **ORDER**

#### **THE COMMISSION ORDERS:**

- 12      (1)      The tariff revisions filed on April 26, 2007, in Dockets UE-070804 and UG-070805 are suspended.
- 13      (2)      Dockets UE-070804 and UG-070805 are consolidated for hearing and determination pursuant to WAC 480-07-320.
- 14      (3)      These matters qualify for discovery, and the discovery rules, WAC 480-07-400 through 425, are invoked.
- 15      (4)      The Commission will hold hearings at such times and places as may be required.
- 16      (5)      Avista Corporation must not change or alter the tariffs filed in these dockets during the suspension period, unless authorized to do so by the Commission by order or by letter from the Secretary of the Commission.

- 17      (6)      The Commission will institute an investigation of Avista Corporation's books, accounts, practices, activities, property and operations as described above.
- 18      (7)      Avista Corporation shall pay the expenses reasonably attributable and allocable to the Commission's investigation to the extent the requirements for such payment are in accordance with the provisions of RCW 80.20.

DATED at Olympia, Washington, and effective May 3, 2007.

WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

MARK H. SIDRAN, Chairman

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner

## Appendix

### WN U-28:

|                         |                |   |
|-------------------------|----------------|---|
| 5 <sup>th</sup> Revised | Sheet No. 1    | Residential Service – Washington  |
| 5 <sup>th</sup> Revised | Sheet No. 11   | General Service – Washington  |
| 5 <sup>th</sup> Revised | Sheet No. 21   | Large General Service – Washington                                      |
| 5 <sup>th</sup> Revised | Sheet No. 25   | Extra Large General Service – Washington                                |
| 2 <sup>nd</sup> Revised | Sheet No. 25A  | Extra Large General Service – Washington                                |
| 5 <sup>th</sup> Revised | Sheet No. 31   | Pumping Service – Washington  |
| 4 <sup>th</sup> Revised | Sheet No. 41   | Company Owned Street Light Service - Washington                         |
| 4 <sup>th</sup> Revised | Sheet No. 42   | Company Owned Street Light Service - Washington                         |
| 4 <sup>th</sup> Revised | Sheet No. 44   | Customer Owned Street Light Energy and Maintenance Service - Washington |
| 5 <sup>th</sup> Revised | Sheet No. 45   | Customer Owned Street Light Energy Service - Washington                 |
| 5 <sup>th</sup> Revised | Sheet No. 46   | Customer Owned Street Light Energy Service - Washington                 |
| 4 <sup>th</sup> Revised | Sheet No. 47   | Area Lighting – Mercury Vapor - Washington                              |
| 5 <sup>th</sup> Revised | Sheet No. 47A  | Area Lighting – Mercury Vapor – Washington - continued                  |
| 2 <sup>nd</sup> Revised | Sheet No. 70-F | Washington Rules and Regulations - continued                            |

### WN U-29:

|                          |                 |   |
|--------------------------|-----------------|---|
| 5 <sup>th</sup> Revised  | Sheet No. 101   | General Service – Firm – Washington                               |
| 5 <sup>th</sup> Revised  | Sheet No. 111   | Large General Service – Firm – Washington                         |
| 5 <sup>th</sup> Revised  | Sheet No. 112   | Large General Service – Firm – Washington                         |
| 5 <sup>th</sup> Revised  | Sheet No. 121   | High Annual Load Factor Large General Service – Firm – Washington |
| 5 <sup>th</sup> Revised  | Sheet No. 122   | High Annual Load Factor Large General Service – Firm - Washington |
| 5 <sup>th</sup> Revised  | Sheet No. 131   | Interruptible Service – Washington                                |
| 5 <sup>th</sup> Revised  | Sheet No. 132   | Interruptible Service – Washington                                |
| 5 <sup>th</sup> Revised  | Sheet No. 146   | Transportation Service For Customer-Owned Gas – Washington        |
| 13 <sup>th</sup> Revised | Sheet No. 156   | Purchase Gas Cost Adjustment – Washington                         |
| 2 <sup>nd</sup> Revised  | Sheet No. 170-f | Washington Rules and Regulations - continued                      |