

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

In the Matter of

AVISTA CORPORATION d/b/a
AVISTA UTILITIES,

Proposed Request for Proposals

DOCKETS UE-140188 and UG-
140189 (*Consolidated*)

ORDER 08

ORDER APPROVING REQUEST
FOR PROPOSALS

BACKGROUND

- 1 On November 25, 2014, the Washington Utilities and Transportation Commission (Commission) entered Order 05, Final Order Rejecting Tariff Filing, Accepting with Conditions Full Settlement Stipulation Authorizing Tariff Filing, and Requiring Compliance Filing (Order 05) in this Docket.¹ Order 05 authorized electric and natural gas decoupling mechanisms (Decoupling Mechanisms) for Avista Corporation's (Avista or Company) electric and natural gas businesses for a 5 year period, and required a third-party evaluation of the selected mechanisms at the end of the third full year.² The Commission required the scope of the evaluation to include, at a minimum, an analysis of: 1) the mechanisms' impact on conservation achievement; 2) the mechanisms' impact on Company revenues; and 3) the extent to which fixed costs are recovered in fixed charges for the customer classes excluded from the mechanisms.³ The Commission further required Avista's decoupling evaluation to analyze whether allowed revenues from specified classes of customers are sufficient to recover those classes' cost of service.⁴
- 2 Order 05 further required Avista to file a draft Request for Proposals (RFP) for third-party evaluation of the Company's Decoupling Mechanisms for Commission approval.⁵ The Commission required Avista to consult with its conservation advisory group and incorporate its input in the draft RFP provided to the Commission.⁶

¹ *Washington Utilities & Transportation Comm'n v. Avista Corporation d/b/a Avista Utilities*, Dockets UE-140188 and UG-140189, Order 05 at ¶ 27 (November 25, 2014).

² Settlement Stipulation at ¶ 13a, approved and adopted via Order 05.

³ *Washington Utilities & Transportation Comm'n v. Avista Corporation d/b/a Avista Utilities*, Dockets UE-140188 and UG-140189, Order 05 at ¶ 27 (November 25, 2014).

⁴ *Id.* ¶ 28.

⁵ *Id.* ¶ 28.

⁶ *Id.* ¶ 28.

3 On June 2, 2017, Avista filed with the Commission a proposed RFP for third-party
evaluation of the Company's Decoupling Mechanisms.

4 Staff subsequently reviewed the contents of Avista's proposed RFP and finds that,
overall, it satisfies the requirements set out in Order 05. Staff further notes that the
Company solicited feedback from its conservation advisory group regarding the content
of the draft RFP, and was receptive to feedback offered by the conservation advisory
group, including feedback offered by Staff. Staff is satisfied with the ultimate statement
of work captured by the draft RFP and recommends the Commission approve the draft
RFP as filed.

DISCUSSION

5 We agree with Staff's recommendation and find that the proposed RFP, as filed, meets
the requirements set out in Order 05. Accordingly, we approve the proposed RFP.

FINDINGS AND CONCLUSIONS

- 6 (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 companies.
- 7 (2) Avista is an electric and natural gas local distribution company and a public
service company subject to Commission jurisdiction.
- 8 (3) This matter came before the Commission at its regularly scheduled meeting on
July 13, 2017.
- 9 (4) Avista has demonstrated that its proposed RFP meets the regulatory requirements
for approval and is otherwise in the public interest.
- 10 (5) After reviewing Avista's proposed RFP filed on June 2, 2017, and giving due
consideration to all relevant matters and for good cause shown, the Commission
finds it is in the public interest to approve Avista's proposed RFP.

ORDER

THE COMMISSION ORDERS:

- 11 (1) The Request for Proposals for third-party review of Avista Corporation's electric and natural gas decoupling mechanisms, filed with the Commission on June 2, 2017, is approved.
- 12 (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 be construed as an agreement to any estimate or determination of costs, or any valuation of property claimed or asserted.
- 13 (3) The Commission retains jurisdiction over the subject matter and Avista Corporation to effectuate the provisions of this Order.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Olympia, Washington, and effective July 13, 2017.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

STEVEN V. KING, Executive Director and Secretary