

Agenda Date: May 26, 2011
Item Numbers: A1 and A2

Dockets: **UE-110876 and UG-110877**
Company: Avista Corporation

Staff: EJ Keating, Regulatory Analyst
Ann LaRue, Regulatory Analyst

Recommendation

Issue a complaint and order suspending the tariff revisions filed by Avista Corporation in Dockets UE-110876 and UG-110877 and set the matters for hearing.

Background

On May 16, 2011, Avista Corporation (Avista or company) filed both electric and natural gas general rate cases requesting additional revenues of \$38.3 million, about 8.7 percent (9.0 percent in base rates) for electric service, and \$6.2 million, about 4.0 percent for natural gas service. The tariffs bear an effective date of June 16, 2011. If approved as filed, the average electric residential customer using 977 kilowatt-hours of electricity would see an increase of \$7.13 per month. The average natural gas residential customer using 67 therms of natural gas would see an increase of \$3.26 per month.

The company indicates that the main reason for the proposed increase is additional compliance requirement costs, the need to replace aging infrastructure, increases in power supply costs and increased costs associated with operating and maintaining the electric and natural gas systems.

Avista serves about 235,493 electric customers and 148,229 natural gas customers in Eastern Washington.

Discussion

Staff reviewed the application and associated work papers for compliance with WAC 480-07-140, WAC 480-80-105 and WAC 480-07-510 and it appears that the company has filed everything required and the filing is in compliance. Staff needs additional time to thoroughly review the filing in order to recommend rates that are fair, just, reasonable, and sufficient.

Conclusion

Staff recommends the commission issue a complaint and order suspending the tariff revisions filed by Avista in Dockets UE-110876 and UG-110877 and set the matters for hearing.