
BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

AVISTA CORPORATION d/b/a AVISTA
UTILITIES,

Respondent.

Docket Nos. UE-240006 and UG-240007

POST-HEARING BRIEF

**ON BEHALF OF
WALMART INC.**

October 28, 2024

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I. INTRODUCTION

Pursuant to Order No. 2 issued on February 27, 2024, Walmart Inc. (“Walmart”) hereby files its post hearing brief. Avista Corporation’s (“Avista”) request for a return on equity (“ROE”) of 10.40 percent is not just and reasonable.

II. LEGAL STANDARD

Under RCW 80.28.010, the Commission has the duty to ensure that Avista’s customers are only charged just, reasonable and sufficient rates. These rates must be “fair to customer and to the Company’s owners; just in the sense of being based solely on the record developed in the proceeding following principles of due process of law; reasonable in light of the range of possible outcomes supported by the evidence and; sufficient to meet the needs of the Company to cover its expenses and attract necessary capital on reasonable terms.”¹

III. ARGUMENT

When electric and gas rates increase, the increased cost to retailers like Walmart can put pressure on consumer prices and on the other expenses required by a business to operate. This can result in passing through higher prices to consumers. Therefore, the Commission should always thoroughly and carefully consider the impact on customers when examining the Avista’s requested revenue requirement and ROE, among other things, to ensure that any increase in the Avista’s rates is the minimum amount necessary to provide safe, adequate and reliable service, while also providing PSE the opportunity to recover its reasonable and prudent costs and earn a reasonable return on its investment.

¹ Docket UE-090704, Final Order, Order 11 (April 2, 2010), at 18.

In this case, Avista requested a 10.40% ROE for its electric service. However, Commission Staff, Public Counsel, the Alliance of Western Energy Consumers (“AWEC”) and Walmart recommended lower ROEs. Commission Staff recommended that the Commission set an ROE of 9.50 percent;² Public Counsel recommended 8.50 percent;³ AWEC recommended 9.25 percent;⁴ and Walmart recommended that the Commission consider customer impacts, ROEs awarded to other Washington utilities, as well as ROEs awarded by other state regulatory commission.⁵

Avista has argued that Commission Staff and the intervenor’s recommendations are simply too low. However, as provided in its testimony, Walmart demonstrated that the average ROE nationwide is 9.5 percent⁶ and the average ROE for vertically integrated utilities authorized from 2021 through the present is 9.62 percent⁷, well below Avista’s proposed ROE of 10.40 percent. Furthermore, Avista’s proposed 10.40 percent ROE is also counter to recent Commission actions regarding ROEs for other investor-owned electric utilities in Oregon, where the Commission has ordered 9.4 percent in Docket Nos. UE-200900 and UE-220066.⁸

IV. CONCLUSION

Avista bears the burden of proving that the rates they are seeking in this docket are just and reasonable. However, Avista’s requested 10.40 percent ROE is not just and reasonable as it is well above the Avista’s currently approved ROE of 9.40 percent, recent electric rate case ROEs approved by this Commission, and recent electric rate case ROEs approved by other state regulatory commissions. Walmart requests that the Commission deny Avista’s request for an ROE

2 Parcell, Ex. DCP-1T at 6:2.

3 Garrett, Ex. DJG-1T at 4:8.

4 Kaufman, Ex.LDK-1T at 21:4-5

5 Perry, Ex. LVP-1T at 8:13.

6 Perry, Ex. LVP-1T at 11:2.

7 Perry, Ex. LVP-1T at 11:12.

8 Perry, Ex. LVP-1T at 10:6-11.

of 10.40 percent and set a just and reasonable ROE.

DATED this 28th day of October, 2024.

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CERTIFICATE OF SERVICE

Docket No. UE-240006 and UG-240007 (Consolidated)

I hereby certify that on this 28th day of October, 2024, I caused a true and correct copy of the document, **POST-HEARING BRIEF ON BEHALF OF WALMART INC.**, to be served via electronic mail, to the following:

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