

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

AVISTA CORPORATION d/b/a AVISTA
UTILITIES,

Respondent.

DOCKETS UE-170485 and UG-170486

COMMISSION STAFF COMMENTS
REGARDING NOTICE OF INTENT
TO CONSOLIDATE

In the Matter of the Petition of

Avista Corporation, d/b/a Avista Utilities,

For an Order Authorizing Deferral of
Federal Income Tax Expenses for the Effects
of Revisions of the Federal Income Tax
Code Upon Avista's Cost of Service

DOCKETS UE-171221 and UG-171222

I. INTRODUCTION

1 Staff of the Washington Utilities and Transportation Commission (Commission) files this response to the Commission's Notice of Intent to Consolidate and Notice of Opportunity to Comment on Avista's Accounting Petitions Filed in Dockets UE-171221 and UG-171222, dated February 16, 2018. Commission Staff (Staff) supports both consolidation of the dockets and approval of Avista's proposed deferred accounting treatment.

II. DISCUSSION

2 Staff agrees with the Commission that the facts and principles of law in Avista's accounting petitions are directly related to those in the general rate proceeding, and consolidation of these matters promotes administrative efficiency and judicial economy.

Staff supports the consolidation of the general rate case proceeding in Dockets UE-170485 and UG-170486 with the accounting petitions in Dockets UE-171221 and UG-171222.

3 Avista’s accounting petition in Dockets UE-171221 and UG-171222 requests that the Commission issue an order establishing an accounting mechanism to capture the deferral of funds collected from electric and gas customers that assumed a 35% corporate tax rate. Staff supports the proposed accounting treatment because:

- It would provide a mechanism to capture so-called “unprotected” excess accumulated deferred federal income tax;
- It would provide a mechanism to capture excess deferred income tax expense that Avista has been collecting as of January 1, 2018, under existing rates; and
- It would provide a mechanism to capture any necessary amounts related to the change in the federal income tax rate that, for whatever reason, are not implement at the conclusion of Avista’s general rate case.

4 Staff has provided commentary on the appropriate treatment of excess taxes, in Commission Staff’s Response to Avista’s Response to Bench Request 1. After considering the responses of Commission Staff and other intervening parties, the Commission issued Bench Request 9, which requires Avista to respond to inquiries around excess taxes, and the TCJA impact on rates, by February 28, 2018.

5 As Staff has previously commented, the change in the corporate tax rate should have no impact on the mechanics or appropriateness of Staff’s three-year rate plan. Staff looks

forward to providing a reply to the Company's Response to Bench Request 9 by March 21, 2018.

DATED this 23rd day of February 2018.

Respectfully submitted,

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Attorney General

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