BEFORE THE WASHINGTON

**UTILITIES AND TRANSPORTATION COMMISSION**

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| WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,  Complainant,  v.  AVISTA CORPORATION, d/b/a AVISTA UTILITIES,  Respondent. |  |  | DOCKETS UE-160228 and  UG-160229 *(Consolidated)*  ORDER 01  COMPLAINT AND ORDER SUSPENDING TARIFF REVISIONS AND ORDER OF CONSOLIDATION |

**BACKGROUND**

1. On February 19, 2016, 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, as listed in the appendix attached to this Order. The purpose of this filing is to increase rates and charges for electric service provided to customers in the state of Washington.
2. In this filing, Avista requests authority to increase charges and rates for electric service by approximately $38.6 million, or 7.6 percent in billed rates, effective January 1, 2017. Avista also requests an overall increase in electric base revenues of $10.3 million, or 3.9 percent, to become effective January 1, 2018. 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, reasonable and sufficient, the Commission suspends the tariff filing and will hold public hearings, if necessary, to determine whether the proposed increases are fair, just, reasonable, and sufficient.
3. On February 19, 2016, Avista also filed revisions to its currently effective Tariff WN U-29, Natural Gas, as listed in the appendix attached to this Order. The purpose of this filing is to increase rates and charges for natural gas service provided to customers in the state of Washington.
4. In this filing, Avista seeks to increase rates for natural gas service by approximately $4.4 million, or 2.8 percent in billed rates, effective January 1, 2017. Avista is also proposing a second-step natural gas revenue increase of $0.9 million, or 1 percent in billed rates, effective January 1, 2018. 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, reasonable, and sufficient, the Commission suspends the tariff filing and will hold public hearings, if necessary, to determine whether the proposed increases are fair, just, reasonable and sufficient.
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**

1. (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, transfers of property and affiliated interests of public service companies, including electric and natural gas companies.
2. (2) Avista is an electric and natural gas company and a public service company subject to Commission jurisdiction.
3. (3) The tariff revisions Avista filed on February 19, 2016, would increase charges and rates for service provided by Avista and might injuriously affect the rights and interest of the public.
4. (4) Avista has not yet demonstrated that the tariff revisions would result in rates that are fair, just, reasonable, and sufficient.
5. (5) Avista’s rates and charges for electric or natural gas services shown on any tariffs that Avista does not propose to revise may also be investigated to determine if they are fair, just, reasonable, and sufficient.
6. (6) In order to carry out the duties imposed upon the Commission by law, and as authorized in RCW 80.04.130, 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. The Commission finds that these dockets meet the criteria of WAC 480-07-400(2)(b)(i) and that discovery will be conducted pursuant to the Commissions discovery rules in WAC 480-07-400 – 425.
7. (7) As required by RCW 80.04.130(4), Avista bears the burden of proof to show that the proposed increases are fair, just, reasonable, and sufficient.
8. (8) Avista may be required to pay the expenses reasonably attributable and allocable to such an investigation, consistent with RCW 80.20.

**ORDER**

THE COMMISSION ORDERS:

1. (1) The tariff revisions Avista Corporation, d/b/a Avista Utilities filed on February 19, 2016, are suspended.
2. (2) Dockets UE-160228 and UG-160229 are consolidated for hearing and determination under WAC 480-07-320.
3. (3) The Commission will hold hearings at such times and places as may be required. Such hearings may also examine Avista’s rates and charges for electric or natural gas service shown on any tariffs that Avista does not propose to revise.
4. (4) Avista must not change or alter the tariffs filed in these dockets during the suspension period, unless authorized by the Commission.
5. (5) The Commission will institute an investigation of Avista’s books, accounts, practices, activities, property, and operations as described above.
6. (6) Discovery will be conducted pursuant to the Commission’s discovery rules in WAC 480-07-400 – 425.
7. (7) Avista shall pay the expenses reasonably attributable and allocable to the Commission’s investigation, consistent with RCW 80.20.

DATED at Olympia, Washington, and effective March 7, 2016.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

PHILIP B. JONES, Commissioner

ANN E. RENDAHL, Commissioner

**Appendix**

**Proposed Tariff Revisions to be Effective January 1, 2017**

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| **Tariff WN U-28, Electric Service** |  |  |
| 14th Revision Sheet 1 | Canceling | Substitute 13th Revision Sheet 1 |
| 14th Revision Sheet 11 | Canceling | Substitute 13th Revision Sheet 11 |
| 14th Revision Sheet 21 | Canceling | Substitute 13th Revision Sheet 21 |
| 14th Revision Sheet 25 | Canceling | Substitute 13th Revision Sheet 25 |
| 11th Revision Sheet 25A | Canceling | Substitute 10th Revision Sheet 25A |
| 14th Revision Sheet 31 | Canceling | Substitute 13th Revision Sheet 31 |
| 13th Revision Sheet 41 | Canceling | Substitute 12th Revision Sheet 41 |
| 13th Revision Sheet 42 | Canceling | Substitute 12th Revision Sheet 42 |
| 7th Revision Sheet 42A | Canceling | Substitute 6th Revision Sheet 42A |
| 13th Revision Sheet 44 | Canceling | Substitute 12th Revision Sheet 44 |
| 14th Revision Sheet 45 | Canceling | Substitute 13th Revision Sheet 45 |
| 14th Revision Sheet 46 | Canceling | Substitute 13th Revision Sheet 46 |
| 13th Revision Sheet 47 | Canceling | Substitute 12th Revision Sheet 47 |
| 14th Revision Sheet 47A | Canceling | Substitute 13th Revision Sheet 47A |
| **Tariff WN U-29, Natural Gas Service** |  |  |
| 15th Revision Sheet 101 | Canceling | Substitute 14th Revision Sheet 101 |
| 15th Revision Sheet 111 | Canceling | Substitute 14th Revision Sheet 111 |
| 15th Revision Sheet 112 | Canceling | Substitute 14th Revision Sheet 112 |
| 15th Revision Sheet 121 | Canceling | Substitute 14th Revision Sheet 121 |
| 6th Revision Sheet 121A | Canceling | Substitute 5th Revision Sheet 121A |
| 15th Revision Sheet 122 | Canceling | Substitute 14th Revision Sheet 122 |
| 6th Revision Sheet 122A | Canceling | Substitute 5th Revision Sheet 122A |
| 15th Revision Sheet 131 | Canceling | Substitute 14th Revision Sheet 131 |
| 6th Revision Sheet 131A | Canceling | Substitute 5th Revision Sheet 131A |
| 15th Revision Sheet 132 | Canceling | Substitute 14th Revision Sheet 132 |
| 6th Revision Sheet 132A | Canceling | Substitute 5th Revision Sheet 132A |
| 15th Revision Sheet 146 | Canceling | Substitute 14th Revision Sheet 146 |

**Proposed Tariff Revisions to be Effective January 1, 2018**

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| **Tariff WN U-28, Electric Service** |  |  |
| 15th Revision Sheet 1 | Canceling | 14th Revision Sheet 1 |
| 15th Revision Sheet 11 | Canceling | 14th Revision Sheet 11 |
| 15th Revision Sheet 21 | Canceling | 14th Revision Sheet 21 |
| 15th Revision Sheet 25 | Canceling | 14th Revision Sheet 25 |
| 12th Revision Sheet 25A | Canceling | 11th Revision Sheet 25A |
| 15th Revision Sheet 31 | Canceling | 14th Revision Sheet 31 |
| 14th Revision Sheet 41 | Canceling | 13th Revision Sheet 41 |
| 14th Revision Sheet 42 | Canceling | 13th Revision Sheet 42 |
| 8th Revision Sheet 42A | Canceling | 7th Revision Sheet 42A |
| 14th Revision Sheet 44 | Canceling | 13th Revision Sheet 44 |
| 15th Revision Sheet 45 | Canceling | 14th Revision Sheet 45 |
| 15th Revision Sheet 46 | Canceling | 14th Revision Sheet 46 |
| 14th Revision Sheet 47 | Canceling | 13th Revision Sheet 47 |
| 15th Revision Sheet 47A | Canceling | 14th Revision Sheet 47A |
| 13th Revision Sheet 93 | Canceling | 12th Revision Sheet 93 |
| **Tariff WN U-29, Natural Gas Service** |  |  |
| 16th Revision Sheet 101 | Canceling | 15th Revision Sheet 101 |
| 16th Revision Sheet 111 | Canceling | 15th Revision Sheet 111 |
| 16th Revision Sheet 112 | Canceling | 15th Revision Sheet 112 |
| 16th Revision Sheet 121 | Canceling | 15th Revision Sheet 121 |
| 7th Revision Sheet 121A | Canceling | 6th Revision Sheet 121A |
| 16th Revision Sheet 122 | Canceling | 15th Revision Sheet 122 |
| 7th Revision Sheet 122A | Canceling | 6th Revision Sheet 122A |
| 16th Revision Sheet 131 | Canceling | 15th Revision Sheet 131 |
| 7th Revision Sheet 131A | Canceling | 6th Revision Sheet 131A |
| 16th Revision Sheet 132 | Canceling | 15th Revision Sheet 132 |
| 7th Revision Sheet 132A | Canceling | 6th Revision Sheet 132A |
| 16th Revision Sheet 146 | Canceling | 15th Revision Sheet 146 |