

Agenda Date: November 24, 2020
Item Numbers: A2 & A3

Dockets: UE-200900 & UG-200901
Company Name: Avista Corporation, d/b/a Avista Utilities

Staff: Elaine Jordan, Regulatory Analyst

Recommendation

Issue an order in Dockets UE-200900 & UG-200901

- (1) granting the petitions filed by Avista Corporation, d/b/a Avista Utilities on October 30, 2020, for limited, one-time exemptions from WAC 480-85-050(2) for the electric cost of service study and from WAC 480-85-050(1) for the natural gas cost of service study; and
- (2) suspending the revised tariff sheets filed by Avista Corporation, d/b/a Avista Utilities on October 30, 2020, and setting the matter for hearing.

Summary of Filing

On October 30, 2020, in Dockets UE-200900 & UG-200901, Avista Corporation, d/b/a Avista Utilities (Avista or company) filed with the Washington Utilities and Transportation Commission (commission) a general rate case to update its electric and natural gas general service tariffs. In its filing Avista included a petition for exemption from WAC 480-85-050(2) for its electric filing and a petition for exemption from WAC 480-85-050(1) for its natural gas filing. WAC 480-85-070 provides the commission may grant an exemption from the provisions of WAC 480-85.

Avista requests a limited exemption from WAC 480-85-050(2) because the electric load study data are slightly older than required by that subsection of the rule. Avista is requesting a limited, one-time exemption from WAC 480-85-050(1) because the company's installation of advanced metering infrastructure (AMI) is not complete, and the company has not completed a load study.

Background

On August 7, 2020, new Chapter 480-85 WAC went into effect. This chapter details how any party to an electric or natural gas general rate case must conduct a cost of service study.

Regarding acceptable data inputs, WAC 480-85-050(1) states (in relevant part):

- (1) The rate schedule usage data for any cost of service study must come from the best available source: Advanced metering technology, including advanced metering infrastructure (AMI) and advanced meter reading (AMR); or a load study.
 - (a) For utilities with AMI, the use of data from a load study must be explicitly justified.
 - (b) For utilities with AMR, data from AMR may be used if granularity of the data meets or exceeds hourly for electric and daily for natural gas. For utilities with

AMR with the data granularity required by this subsection, the use of data from a load study must be explicitly justified.

- (c) For utilities with other advanced metering technology, data from that metering technology may be used if granularity of the data meets or exceeds hourly for electric and daily for natural gas. For utilities with other advanced metering technology with the data granularity required by this subsection, the use of data from a load study must be explicitly justified.
- (d) For utilities that do not have advanced metering technology described in subsection (1), (2), or (3) of this section, a load study must be used. Data from special contracts may be used in a load study.

WAC 480-85-050(2) states:

- (2) Rate schedule usage data for any cost of service study must not be older than five years.

Discussion

Petitions for Exemption

Commission staff (staff) has reviewed the petitions for exemption from WAC 480-85-050 and believes they are appropriate. Avista currently is in the process of deploying AMI for its electric and natural gas customers. Once fully deployed, AMI will provide Avista with the high-quality data necessary to conduct a cost of service study that complies with WAC 480-85-050. Staff expects that with AMI, Avista will not need to request an exemption from these rules for future general rate cases. Staff also notes that with the installation of AMI, load studies will become obsolete. Therefore, requiring Avista to complete new load studies now is impractical. Staff believes it is reasonable in this one instance to allow Avista to conduct a natural gas cost of service study without a load study and an electric cost of service study using load study data are slightly older than what is required by WAC 480-85-050(2). Staff therefore finds that the petitions for exemption are consistent with the Commission's public interest standard, as set forth in WAC 480-07-110, and recommends the Commission grant them as filed.

Suspension of Revised Tariff Sheets

As required by WAC 480-07-510(6), a utility's general rate case filing must include a cost of service study that complies with chapter 480-85 WAC. Therefore, Avista's compliance with WAC 480-07-510(6) is contingent upon the Commission granting Avista's petitions for exemption from WAC 480-85-050.

As Staff recommends the Commission grant Avista's petitions for exemption from WAC 480-85-050, Staff is reasonably satisfied that Avista's initial filing is consistent with the Commission's filing requirements, and recommends that the Commission suspend the revised tariff sheets and set the matter for hearing.