

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

AVISTA CORPORATION, d/b/a
AVISTA UTILITIES,

Respondent.

DOCKETS UE-200900, UG-200901,
UE-200984 (*Consolidated*)

ORDER 04 / 01

GRANTING MOTION TO
CONSOLIDATE

In the Matter of the Petition of

AVISTA CORPORATION, d/b/a
AVISTA UTILITIES,

For an Accounting Order Authorizing
Accounting and Ratemaking Treatment
of Costs Associated With the
Company's Wildfire Resiliency Plan

BACKGROUND

- 1 On October 30, 2020, Avista Corporation, d/b/a Avista Utilities, (Avista or Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions in Docket UE-200900 to its currently effective electric service tariff, Tariff WN U-28, and in Docket UG-200901 to its natural gas service tariff, Tariff WN U-29, designed to effect a general rate increase for electric and natural gas service (general rate case, or GRC).

2 Also on October 30, 2020, Avista filed with the Commission in Docket UE-200984 a
petition for an accounting order authorizing accounting and ratemaking treatment of costs
associated with the Company’s wildfire resiliency plan (Petition).

3 On November 25, 2020, the Commission entered Order 01, consolidating Dockets
UE-200900 and UG-200901, suspending the tariffs, and setting those matters for hearing.

4 On December 11, 2020, Commission staff (Staff) filed a motion to consolidate Avista’s
Petition with its GRC pursuant to WAC 480-07-320 (Motion). The Commission required
any responses to Staff’s Motion to be filed by December 18, 2020.

5 On December 18, 2020, Avista file with the Commission a response opposing Staff’s
Motion.

DISCUSSION AND DECISION

6 A party to a proceeding may request that the Commission consolidate matters before it.¹
The Commission has discretion to consolidate two or more proceedings in which the
facts or principles of law are related.² We agree with Staff and find that the facts and
principles of law are related and that consolidating the matters for adjudication is
appropriate for the reasons explained below.

7 Staff argues that the facts and principles of law are related because both Avista’s GRC
and its Petition address various expenses related to Avista’s wildfire resiliency plan that
will require the same discovery in both cases, and that “[a]dministrative efficiency is best
served by consolidation because of the [discovery] duplication . . . and the number of
questions raised by Avista’s [P]etition, all of which Staff and other parties can most
efficiently investigate within one proceeding.”³

8 Avista responds that it would be inappropriate to consolidate its Petition with its GRC
because the GRC is an adjudication and it will determine the prudence and cost-recovery
of expenses, but the Petition merely requests deferred accounting treatment of costs for
which the Company would seek recovery in a future GRC. Avista argues that a “deferral
request does not need to meet a ‘prudence’ standard (only a reasonable showing of a

¹ WAC 480-07-320.

² *Id.*

³ Motion at 1-2, ¶ 2.

basis for possible future recovery) and the outcome is entirely different [from a GRC] – i.e., does not determine prudence and provide cost-recovery.”⁴ Avista cites the Commission’s order granting deferred accounting in Dockets UE-200407 and UG-200408 to support its argument that its Petition is distinct from a GRC because it does not seek a prudence determination.⁵ Avista argues that consolidating its Petition with the GRC would be inefficient because it would require the Petition to be adjudicated along the GRC’s timeline, and also require the additional adjudication when the Company seeks recovery of the expenses authorized for deferral in a future GRC.⁶ Last, Avista acknowledges that granting its Petition does not harm ratepayers because the Company must later demonstrate prudence before any costs are recovered in rates, but argues that failing to timely resolve Avista’s Petition would require Avista “to absorb forevermore the costs that are the subject of a deferral request, even if such costs were prudently-incurred on behalf of ratepayers.”⁷

9 We conclude that consolidation of the Petition and GRC is the best course of action. Failing to consolidate the Petition with the GRC would not necessarily preclude adjudication of the Petition. The Commission could decide to set Avista’s Petition for adjudication on its own, regardless of whether it is consolidated with another matter, which would delay our decision on the Petition until the conclusion of the adjudication.⁸ Avista’s argument that consolidation would, therefore, cause undue delay is unfounded.

10 Additionally, consolidating these matters will not prevent Avista from recovering the costs described in its Petition. In Dockets UE-200407 and UG-200408, we explained that Avista could “defer the costs, revenues, and benefits identified” in its petition for deferred accounting from the date its petition was originally filed.⁹ This highlights a key

⁴ Answer at 2, ¶ 2.

⁵ *Id.*; *Id.* at 2, n. 1.

⁶ *See id.* at 2-5, ¶¶ 4-11.

⁷ *Id.* at 7, ¶ 17; *see also id.* at 7-8, ¶¶ 18-19.

⁸ Notably, accounting petitions have no deadline mandated by statute that would require the Commission to act within a specified timeframe. Consolidation with a general rate case, on the other hand, would set resolution of Avista’s Petition along a timeline with the statutorily-mandated conclusion date for its GRC.

⁹ *In re the Petition of Avista Corp., d/b/a Avista Utils, for an Order Approving Deferral of Costs Associated with the COVID-19 Public Health Emergency*, Dockets UE-200407 and UG-200408, Order 01, 11, ¶ 34 (Dec. 10, 2020), determining that Avista could begin the deferral of costs

understanding: petitions for deferred accounting, if granted, may permit a utility to defer the costs as of the original date of filing. In this case, if Avista's Petition is ultimately granted it may be able to defer, and possibly recover in a future rate case, costs it incurred beginning on October 30, 2020. The forum in which the Petition is resolved has no bearing on the Company's ability to account for these costs. Accordingly, Avista's claim that consolidation of the Petition with its GRC will prevent Avista's ability to defer, and possibly recover, its costs is incorrect.

- 11 While the legal evaluation of a petition for deferred accounting may be different from the legal evaluation of a general rate case, the legal inquiry is related, and we have recently consolidated petitions for deferred accounting with general rate cases because they contained related issues. In Dockets UE-190529, UG-190530, UE-190274, UG-190275, UE-171225, UG-171226, UE-190991 and UG-190992 (*consolidated*), we consolidated matters similarly situated to those presented here. Dockets UE-190274 and UG-190275 regarded a petition by Puget Sound Energy (PSE) for deferred accounting for its investments in short-lived technology assets as part of its Get to Zero (GTZ) program.¹⁰ In that instance, we consolidated the deferred accounting petition with PSE's GRC because they addressed related facts, and doing so facilitated administrative efficiency despite the mismatching time periods of the GTZ costs for which PSE sought recovery in its GRC and the GTZ costs for which PSE sought to defer.¹¹
- 12 In this case, Avista's wildfire resiliency plan is a foundation for both the costs Avista seeks to recover in the rate period and the costs it seeks to defer. The evaluation and inquiry regarding the plan will thus likely provide context and inform our decision of the costs for which Avista seeks recovery in the GRC as well as those costs for which Avista seeks deferred accounting. In any event, we conclude that evaluating these costs and Avista's wildfire resiliency plan as part of the consolidated proceedings will be more efficient than addressing them separately.
- 13 Even were we to accept Avista's argument that the principles of law are fundamentally different between a petition for deferred accounting and a general rate case, the standard

beginning on the date of its original petition, May 4, 2020, and not earlier on March 1, 2020, as requested in that case.

¹⁰ *Wash. Utils. & Transp. Comm'n v. Puget Sound Energy*, Dockets UE-190529 *et. al.*, Order 06/03/01, Consolidation Order (Feb. 5, 2020).

¹¹ *See Wash. Utils. & Transp. Comm'n v. Puget Sound Energy*, Dockets UE-190529 *et. al.*, Final Order 08/05/03 (Jul. 8, 2020).

for consolidation requires only that there be related facts *or* principles of law. Here, again, Avista presents its wildfire resiliency plan as its proposal for addressing the threat of wildfires in its service territory in its GRC and its Petition. In its GRC, Avista offers testimony on its wildfire resiliency plan from at least two witnesses to support its proposed cost recovery. In its Petition, Avista seeks to defer certain costs pursuant to its wildfire resiliency plan. Avista's plan is, therefore, factually relevant to both its GRC and its Petition, our evaluation of it is required in both, and will likely impact our decisions in each case.

- 14 Pursuant to WAC 480-07-320, the Commission determines that the facts and principles of law in Dockets UE-200900, UG-200901, and UE-200984 are related. In addition, consolidating these dockets will allow the Commission, as well as the parties, to more efficiently direct resources to address these matters while not affecting Avista's ability to recover any of the costs it seeks to defer if such costs are later determined to be prudent. Accordingly, the Commission determines that Staff's motion to consolidate the dockets for adjudication should be granted.

ORDER

THE COMMISSION ORDERS:

- 15 (1) Commission staff's motion to consolidate Docket UE-200894 with Dockets UE-200900 and UG-200901 (*Consolidated*) pursuant to WAC 480-07-320 is GRANTED.
- 16 (2) Dockets UE-200900, UG-200901, and UE-200984 are consolidated for hearing and determination under WAC 480-07-320.

DATED at Lacey, Washington, and effective December 23, 2020.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

/s/ *Andrew J. O'Connell*
ANDREW J. O'CONNELL
Administrative Law Judge