



ATTORNEY GENERAL OF WASHINGTON

Public Counsel

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September 23, 2022

SENT VIA WUTC WEB PORTAL

Amanda Maxwell
Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

Re: Avista Corporation Revisions to Tariff No. WN U-29, Schedule 191 (demand side management) and Tariff No. WN U-29, Schedule 175 (decoupling mechanism adjustment), Dockets UG-220373 and UG-220379

Dear Director Maxwell:

The Public Counsel Unit of the Washington State Attorney General's Office (Public Counsel) respectfully submits these comments in advance of the September 29, 2022, Open Meeting. These comments are in response to Avista Corporation's (Avista or the Company) filings for tariff revisions in Dockets UG-220373 and UG-220379 and address the prospect of a series of rate increases on Avista's natural gas customers in the coming months.

Public Counsel's Recommendation

Public Counsel recommends that the Washington Utilities and Transportation Commission (Commission) consider the cumulative impact of Avista's pending and recent natural gas dockets on customers as the heating season approaches. Customers are facing large cumulative rate impacts from these dockets, and the Commission should consider how to mitigate those impacts.

In Docket UG-220373, Avista filed a revision for the Company's Schedule 191 Demand Side Management tariff. In its cover letter, the Company states that the tariff rider is currently underfunded, driven primarily by an increase in incentive expenditures because of higher customer participation in various programs. The tariff revision will increase the average monthly customer bill by \$1.38 or approximately 2.1 percent. Originally, the Company filed for an effective date of August 1, 2022, but due to a third party issue with mailing the customer notice, Avista revised its effective date to October 1, 2022.

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To: Amanda Maxwell, Executive Director
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In Docket UG-220379, Avista filed a revision to Schedule 175 Decoupling Mechanism Adjustment.¹ This filing was made in compliance with Commission orders in prior cases and will amortize the 2021 deferral balances over a 12-month period. The average monthly bill for a natural gas customer will increase by \$1.99 or approximately three percent. As noted above, Avista filed with an effective date of August 1, 2022, but a delay in mailing the customer notice caused the Company to revise the effective date to October 1, 2022.

When viewed on a standalone basis, Public Counsel does not have specific concerns with the Company's filings. However, as we move into the winter heating season, Public Counsel is concerned about the cumulative impact of Dockets UG-220373 and UG-220379 and other upcoming Avista natural gas dockets. In Docket UG-220670, Avista filed its annual Purchase Gas Cost Adjustment (PGA), which would increase costs for the average residential or small business customer by \$8.93 per month or 12.3 percent. The effective date for this rate increase is November 1, 2022. In addition, Avista's general rate case, consolidated Dockets UE-220053, UG-220054 and UE-210854, will be decided later this fall, with another potential rate increase to take effect by December 21, 2022. Each of the increases come after an out-of-cycle PGA approved by the Commission at the June 30, 2022, Open Meeting and effective July 1, 2022. The out-of-cycle PGA increased average residential rates by \$7.80 per month, or approximately 12 percent.² Taken together, customers are facing steep increases right as they will need to use more natural gas to heat their homes.

Public Counsel understands that there are a number of national and international factors influencing the price of natural gas and appreciates Avista's efforts to mitigate those impacts on customers. However, we are concerned about the series and scale of these rate increases and the impacts, particularly on Vulnerable Populations and Highly Impacted Communities who are the most affected by the current cost increases. We believe that the Commission should keep these recent rate increases in mind when considering future larger rate increases, and we encourage the Commission to consider how to further mitigate the impact of the current increases through amortization or other tools.

Avista should closely track requests for low-income assistance, and if requests increase as a result of these cumulative filings, Avista should ensure that funds are available for eligible customers. This may include increasing low-income assistance funding.

Public Counsel also believes that the Commission, Avista, and other utilities should consider revising the timing of filing the PGA. WAC 480-90-233 requires a filing within a maximum of

¹ There is a corresponding tariff revision for Avista's decoupling mechanism for electric in Docket UE-220382. This filing would decrease rates by approximately two percent for average monthly electric bills.

² Open Meeting Memo, *Avista Corp. Tariff No. WN U-29 Revision, Out-of-Cycle Purchased Gas Cost Adjustment*, Docket UG-220309 (filed June 27, 2022).

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15-months of the previously filed PGA. Utilities typically file in late summer or early fall for a November 1 effective date. This sets up a potential rate increase in the winter months when heating costs are higher and could cause more rate shock for customers. We believe the Commission could explore altering the timeline and effective date of the PGA to mitigate the impact of any increase.

Again, we appreciate the opportunity to submit these comments. If you have any questions about this filing, please contact Stephanie Chase at Stephanie.Chase@ATG.WA.GOV.

Sincerely,

/s/ Lisa W. Gafken

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