

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

AVISTA CORPORATION, d/b/a
AVISTA UTILITIES,

Respondent.

DOCKETS UE-190334 and
UG-190335 (*Consolidated*)

ORDER 01

COMPLAINT AND ORDER
SUSPENDING TARIFF REVISIONS
AND ORDER OF CONSOLIDATION

BACKGROUND

- 1 On April 30, 2019, 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. The Company agrees to waive presentation of the filing at an open meeting and to suspension of the tariffs pending Commission investigation.
- 2 In this filing, Avista proposes a two-year rate plan effective April 1, 2020, through March 31, 2022. For the first year of the rate plan, Avista proposes an increase in electric revenues of \$45.8 million, or 8.8 percent on a billed revenue basis. Average residential customers using 918 kWh per month would see a monthly bill increase of \$7.93. For the second year of the proposed rate plan, Avista proposes an increase in electric revenues of \$18.9 million, or 3.3 percent on a billed revenue basis, effective April 1, 2021.¹ Average residential customers using 918 kWh per month would see a monthly bill increase of \$3.46.
- 3 On April 30, 2019, 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

¹ The Company proposes to implement the revenue increase for Year 2 of the Rate Plan through a separate Tariff Schedule 96, and not through a change to base tariffs.

Washington. The Company agrees to waive presentation of the filing at an open meeting and to suspension of the tariffs pending Commission investigation.

- 4 In this filing, Avista also proposes a two-year rate plan, effective April 1, 2020, through March 31, 2022. For the first year of the rate plan, Avista proposes an overall increase in natural gas revenues of \$12.9 million, or 10.1 percent on a billed revenue basis. Average residential customers using 66 therms per month would see a monthly bill increase of \$4.60. For the second year of the proposed rate plan, Avista proposes an increase in natural gas revenues of \$6.5 million, or 4.6 percent on a billed revenue basis, effective April 1, 2021.² Average residential customers using 66 therms per month would see a monthly bill increase of \$2.55.

DISCUSSION AND DECISION

- 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.
- 6 Avista's requested increase might injuriously affect the rights and interests of the public, and Avista has not demonstrated that the increase would result in rates that are fair, just, reasonable, and sufficient. The Commission, therefore, suspends the tariff filing and will hold public hearings, if necessary, to determine whether the proposed increases are fair, just, reasonable, and sufficient.

FINDINGS AND CONCLUSIONS

- 7 (1) The 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.
- 8 (2) Avista is an electric and natural gas company and a public service company subject to Commission jurisdiction.

² The Company proposes to implement the revenue increase for Year 2 of the Rate Plan through a separate Tariff Schedule 196, and not through a change to base tariffs.

- 9 (3) The matters in the Dockets UE-190334 and UG-190335 involve related facts and principles of law and the dockets should, therefore, be consolidated for hearing and determination pursuant to WAC 480-07-320.
- 10 (4) The tariff revisions Avista filed on April 30, 2019, would increase charges and rates for service provided by Avista and might injuriously affect the rights and interest of the public.
- 11 (5) Avista has not yet demonstrated that the tariff revisions would result in rates that are fair, just, reasonable, and sufficient.
- 12 (6) 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.
- 13 (7) In order to carry out the duties imposed upon the Commission by law, and as authorized in RCW 80.04.130, the Commission finds 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.
- 14 (8) The Commission finds that this docket meets the criteria of WAC 480-07-400(2)(b)(i) and that the parties may conduct discovery pursuant to the Commission's discovery rules in WAC 480-07-400 – 425.
- 15 (9) As required by RCW 80.04.130(4), Avista bears the burden to prove that the proposed increases are fair, just, reasonable, and sufficient.
- 16 (10) Avista may be required to pay the expenses reasonably attributable and allocable to such an investigation, consistent with Chapter 80.20 RCW.

ORDER

THE COMMISSION ORDERS:

- 17 (1) Dockets UE-190334 and UG-190335 are consolidated for hearing and determination under WAC 480-07-320.
- 18 (2) The tariff revisions Avista Corporation, d/b/a Avista Utilities filed on April 30, 2019, are suspended.

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

DATED at Olympia, Washington, and effective May 8, 2019.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

ANN E. RENDAHL, Commissioner

JAY M. BALASBAS, Commissioner

Appendix

Proposed Tariff Revisions effective April 1, 2020 (Rate Year 1)

Tariff WN U-28, Electric		
15th Revision Sheet 1	Canceling	Substitute 14th Revision Sheet 1
15th Revision Sheet 11	Canceling	Substitute 14th Revision Sheet 11
15th Revision Sheet 21	Canceling	Substitute 14th Revision Sheet 21
15th Revision Sheet 25	Canceling	Substitute 14th Revision Sheet 25
11th Revision Sheet 25A	Canceling	Substitute 10th Revision Sheet 25A
15th Revision Sheet 31	Canceling	Substitute 14th Revision Sheet 31
14th Revision Sheet 41	Canceling	Substitute 13th Revision Sheet 41
5th Revision Sheet 41A	Canceling	Substitute 4th Revision Sheet 41A
14th Revision Sheet 42	Canceling	Substitute 13th Revision Sheet 42
8th Revision Sheet 42A	Canceling	Substitute 7th Revision Sheet 42A
2nd Revision Sheet 42B	Canceling	Substitute 1st Revision Sheet 42B
14th Revision Sheet 44	Canceling	Substitute 13th Revision Sheet 44
5th Revision Sheet 44A	Canceling	Substitute 4th Revision Sheet 44A
15th Revision Sheet 45	Canceling	Substitute 14th Revision Sheet 45
15th Revision Sheet 46	Canceling	Substitute 14th Revision Sheet 46
1st Revision Sheet 46A	Canceling	Substitute Original Sheet 46A
14th Revision Sheet 47	Canceling	Substitute 13th Revision Sheet 47
15th Revision Sheet 47A	Canceling	Substitute 14th Revision Sheet 47A
2nd Revision Sheet 47B	Canceling	Substitute 1st Sheet 47B
1st Revision Sheet 75A	Canceling	Original Sheet 75A
1st Revision Sheet 75B	Canceling	Original Sheet 75B
1st Revision Sheet 75C	Canceling	Original Sheet 75C
2nd Revision Sheet 75E	Canceling	1st Revision Sheet 75E

Tariff WN U-29, Natural Gas		
16th Revision Sheet 101	Canceling	Substitute 15th Revision Sheet 101
16th Revision Sheet 111	Canceling	Substitute 15th Revision Sheet 111
16th Revision Sheet 112	Canceling	Substitute 15th Revision Sheet 112
1st Revision Sheet 116	Canceling	Original Sheet 116
16th Revision Sheet 131	Canceling	Substitute 15th Revision Sheet 131
16th Revision Sheet 132	Canceling	Substitute 15th Revision Sheet 132
16th Revision Sheet 146	Canceling	Substitute 15th Revision Sheet 146
1st Revision Sheet 175A	Canceling	Original Sheet 175A
1st Revision Sheet 175B	Canceling	Original Sheet 175B
1st Revision Sheet 175C	Canceling	Original Sheet 175C
2nd Revision Sheet 175E	Canceling	1st Revision Sheet 175E
Substitute 15th Revision Sheet 121	Withdrawing	

Substitute 5th Revision Sheet 121A	Withdrawing	
Substitute 15th Revision Sheet 122	Withdrawing	
Substitute 5th Revision Sheet 122A	Withdrawing	
Original Sheet 126	Withdrawing	
Original Sheet 126A	Withdrawing	
Original Sheet 126B	Withdrawing	
Original Sheet 126C	Withdrawing	
Original Sheet 126D	Withdrawing	

Proposed Tariff Revisions effective April 1, 2021 (Rate Year 2)

Tariff WN U-28, Electric		
Original Sheet 96		
Tariff WN U-29, Natural Gas		
Original Sheet 196		