

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

AVISTA CORPORATION, d/b/a
AVISTA UTILITIES,

Respondent.

DOCKETS UE-220053 and
UG-220054 (*Consolidated*)

ORDER 01

COMPLAINT AND ORDER
SUSPENDING TARIFF REVISIONS;
ORDER OF CONSOLIDATION

BACKGROUND

- 1 On January 21, 2022, Avista Corporation d/b/a Avista Utilities (Avista or Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions in Docket UE-220053 to its currently effective electric service tariff, Tariff WN U-28, and in Docket UG-220054 to its natural gas service tariff, Tariff WN U-29, as listed in the appendix attached to this Order. The purpose of these filings is to increase rates and charges for electric and natural gas service provided to customers in the state of Washington.
- 2 In this filing, Avista proposes electric and natural gas rate increases based on a proposed rate of return of 7.31 percent (with 48.5 percent equity and a 10.25 percent return on equity). Avista also proposes a Two-Year Rate Plan, which would begin with new base rates effective in December 2022 (Rate Year 1) and December 2023 (Rate Year 2).
- 3 For Rate Year 1, Avista proposes an increase to electric base revenue of \$52.9 million, or 9.6 percent, and an overall increase to natural gas base revenue of \$10.9 million, or 9.5 percent. For Rate Year 2, Avista proposes an increase to electric base revenue of \$17.1 million, or 2.8 percent, and an overall increase to natural gas base revenue of \$2.2 million, or 1.7 percent.
- 4 Avista proposes to return a Residual Tax Customer Credit of approximately \$25.5 million (electric) and \$12.5 million (natural gas) to customers through separate Tariff Schedules 78 (electric) and 178 (natural gas) over a two-year amortization period beginning December 2022. Avista proposes to use the Residual Tax Customer Credit to offset its

requested increase for Rate Year 1, in part. Inclusive of the Residual Tax Customer Credit and all other rate adjustments, the Company's requested total increase in Rate Year 1 to *billed* rates is 7.4 percent for electric operations and 2.5 percent for natural gas operations.

DISCUSSION AND DECISION

- 5 The Commission may, in its discretion, consolidate two or more proceedings in which the facts or principles of law are related. Here, the matters in the two dockets appear to involve related facts and principles of law. It is therefore appropriate that they be consolidated for hearing and determination pursuant to WAC 480-07-320.
- 6 Avista's requested rate 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. In addition, Avista has requested that the Commission "immediately suspend the operation of the general tariff revisions" proposed by the Company and set the matter for hearing.¹ The Commission, therefore, suspends the tariff filings 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.
- 9 (3) The Commission may consolidate proceedings that involve related facts and principles of law.

¹ Avista Cover Letter dated January 20, 2022, and received by the Commission January 21, 2022, at 2 (emphasis from original).

- 10 (4) The matters in Dockets UE-220053 and UG-220054 involve related facts and principles of law and the dockets should, therefore, be consolidated for hearing and determination pursuant to WAC 480-07-320.
- 11 (5) The tariff revisions Avista filed on January 21, 2022, would increase charges and rates for service provided by Avista and might injuriously affect the rights and interest of the public.
- 12 (6) Avista has requested that the Commission suspend the tariff revisions and set the matters for hearing.
- 13 (7) Avista has not yet demonstrated that the tariff revisions would result in rates that are fair, just, reasonable, and sufficient.
- 14 (8) 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.
- 15 (9) 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.
- 16 (10) 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.
- 17 (11) As required by RCW 80.04.130(4), Avista bears the burden to prove that the proposed increases are fair, just, reasonable, and sufficient.
- 18 (12) 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:

- 19 (1) Dockets UE-220053 and UG-220054 are consolidated for hearing and determination under WAC 480-07-320.

- 20 (2) The tariff revisions Avista Corporation d/b/a Avista Utilities filed on January 21, 2022, are suspended.
- 21 (3) The Commission will hold hearings at such times and places as may be required. Such hearings may also examine Avista Corporation's 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.
- 22 (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.
- 23 (5) The Commission will institute an investigation of Avista Corporation's d/b/a Avista Utilities books, accounts, practices, activities, property, and operations as described above.
- 24 (6) Discovery will be conducted pursuant to the Commission's discovery rules in WAC 480-07-400 – 425.
- 25 (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 Lacey, Washington, and effective January 27, 2022.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

ANN E. RENDAHL, Commissioner

JAY M. BALASBAS, Commissioner

Appendix

Proposed Tariff Revisions effective Rate Year 1

Tariff WN U-28, Electric		
17th Revision Sheet 1	Canceling	Substitute 16th Revision Sheet 1
17th Revision Sheet 11	Canceling	Substitute 16th Revision Sheet 11
2nd Revision Sheet 13	Canceling	1st Revision Sheet 13
17th Revision Sheet 21	Canceling	Substitute 16th Revision Sheet 21
2nd Revision Sheet 23	Canceling	1st Revision Sheet 23
17th Revision Sheet 25	Canceling	Substitute 16th Revision Sheet 25
13th Revision Sheet 25A	Canceling	Substitute 12th Revision Sheet 25A
17th Revision Sheet 31	Canceling	Substitute 16th Revision Sheet 31
16th Revision Sheet 41	Canceling	Substitute 15th Revision Sheet 41
16th Revision Sheet 42	Canceling	Substitute 17th Revision Sheet 42
10th Revision Sheet 42A	Canceling	Substitute 9th Revision Sheet 42A
16th Revision Sheet 44	Canceling	Substitute 15th Revision Sheet 44
17th Revision Sheet 45	Canceling	Substitute 16th Revision Sheet 45
17th Revision Sheet 46	Canceling	Substitute 16th Revision Sheet 46
3rd Revision Sheet 46A	Canceling	Substitute 2nd Sheet 46A
16th Revision Sheet 47	Canceling	Substitute 15th Revision Sheet 47
17th Revision Sheet 47A	Canceling	Substitute 16th Revision Sheet 47A
4th Revision Sheet 47B	Canceling	Substitute 3rd Sheet 47B
5th Revision Sheet 75D	Canceling	4th Revision Sheet 75D
Original Sheet 78		

Tariff WN U-29, Natural Gas		
18th Revision Sheet 101	Canceling	Substitute 17th Revision Sheet 101
18th Revision Sheet 111	Canceling	Substitute 17th Revision Sheet 111
18th Revision Sheet 112	Canceling	Substitute 17th Revision Sheet 112
3rd Revision Sheet 116	Canceling	Substitute 2nd Sheet 116
18th Revision Sheet 131	Canceling	Substitute 17th Revision Sheet 131
8th Revision Sheet 131A	Canceling	Substitute 7th Revision Sheet 131A
18th Revision Sheet 132	Canceling	Substitute 17th Revision Sheet 132
5th Revision Sheet 175D	Canceling	4th Revision Sheet 175D
Original Sheet 178		

Proposed Tariff Revisions effective Rate Year 2

Tariff WN U-28, Electric		
18th Revision Sheet 1	Canceling	17th Revision Sheet 1
18th Revision Sheet 11	Canceling	17th Revision Sheet 11
3rd Revision Sheet 13	Canceling	2nd Revision Sheet 13
18th Revision Sheet 21	Canceling	17th Revision Sheet 21
3rd Revision Sheet 23	Canceling	2nd Revision Sheet 23
18th Revision Sheet 25	Canceling	17th Revision Sheet 25
14th Revision Sheet 25A	Canceling	13th Revision Sheet 25A
18th Revision Sheet 31	Canceling	17th Revision Sheet 31
17th Revision Sheet 41	Canceling	16th Revision Sheet 41
17th Revision Sheet 42	Canceling	16th Revision Sheet 42
11th Revision Sheet 42A	Canceling	10th Revision Sheet 42A
17th Revision Sheet 44	Canceling	16th Revision Sheet 44
18th Revision Sheet 45	Canceling	17th Revision Sheet 45
18th Revision Sheet 46	Canceling	17th Revision Sheet 46
4th Revision Sheet 46A	Canceling	3rd Revision Sheet 46A
17th Revision Sheet 47	Canceling	16th Revision Sheet 47
18th Revision Sheet 47A	Canceling	17th Revision Sheet 47A

Tariff WN U-29, Natural Gas		
19th Revision Sheet 101	Canceling	Substitute 18th Revision Sheet 101
19th Revision Sheet 111	Canceling	Substitute 18th Revision Sheet 111
19th Revision Sheet 112	Canceling	Substitute 18th Revision Sheet 112
4th Revision Sheet 116	Canceling	Substitute 3rd Sheet 116
19th Revision Sheet 131	Canceling	Substitute 18th Revision Sheet 131
9th Revision Sheet 131A	Canceling	Substitute 8th Revision Sheet 131A
19th Revision Sheet 132	Canceling	Substitute 18th Revision Sheet 132
9th Revision Sheet 132A	Canceling	Substitute 8th Revision Sheet 132A
19th Revision Sheet 146	Canceling	Substitute 18th Revision Sheet 146