

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

DOCKETS UE-190334)	
and UG-190335)	
)	
WASHINGTON UTILITIES AND)	
TRANSPORTATION COMMISSION,)	
)	
Complainant,)	
)	
v.)	
)	
AVISTA CORPORATION, d/b/a)	
AVISTA UTILITIES,)	MOTION FOR CONSOLIDATION OF
)	PROCEEDINGS PURSUANT TO
Respondent.)	WAC 480-07-320
.....)	
)	
DOCKET UE-190222)	
)	
AVISTA CORPORATION, d/b/a)	
AVISTA UTILITIES,)	
)	
REVISES TARIFF WN U-28 TO)	
REVIEW 2018 CALENDAR YEAR)	
DEFERRALS AND REBATE OF)	
OVERALL DEFERRAL BALANCES.)	
.....)	

1 COMES NOW, Avista Corporation (hereinafter “Avista” or the “Company”) and respectfully moves this Commission, pursuant to WAC 480-07-320, to grant this “Motion for Consolidation of Proceedings Pursuant to WAC 480-07-320” with reference to the above-captioned Dockets.

2 On March 29, 2019, Avista filed with the Commission, in Docket No. UE-190222 (“2019 ERM Filing”), a tariff adjustment designed to rebate to customers approximately \$34.4 million, over a three-year period, effective July 1, 2019. This filing was made pursuant to the

Multiparty Settlement Stipulation in Docket No. UE-120436, subsection 10, related to the ERM rate adjustment trigger, which states:

The rate adjustment trigger, currently set at 10% of base revenue (or approximately \$45 million at current base rates), will be changed to be a \$30 million dollar threshold. If the deferrals in the ERM reach \$30 million, the Company will either surcharge or rebate the balance to customers.

3 On April 30, 2019, Avista filed a general rate case with the Commission, in Docket Nos. UE-190334 and UG-190335 (“2019 Rate Case”). As a part of its electric rate request, Avista filed to increase base rate revenue by \$45.8 million, or 8.8 percent, effective April 1, 2020, as well as an additional increase of \$18.9 million, or 3.3 percent, effective on April 1, 2021.

4 Avista believes there is good reason for the Commission to consolidate the 2019 ERM Filing into the 2019 Rate Case. The Commission has before it a substantial ERM rebate balance of \$34.4 million that may be otherwise employed, in whole or in part, to mitigate the first year impact on April 1, 2020 of a proposed electric increase of \$45.8 million. Remembering that the proposed second year electric increase on April 1, 2021 is much smaller (\$18.9 million), use of all or a portion of the ERM rebate to offset some of the much larger Year 1 increase could help to “levelize” somewhat the Two-Year Rate Plan impact, depending on the method employed.

5 The contrary argument, of course, is that all of the ERM balance should be returned to customers as soon as possible – it is, after all, their money. It should be remembered, however, that this ERM rebate balance of \$34.4 million did not materialize overnight; it has grown almost continuously from the year 2010 until it

reached present levels.¹ The same arguments that speak to “intergenerational equity” that were recognized by the parties in connection with the use of tax refund proceeds under the Tax Cut and Jobs Act in Docket UE-180167 to offset, over time, a portion of the impact of accelerated Colstrip depreciation apply, at least in concept, here. (It was determined by this Commission in Order 07 in Docket No. UE-170485, at ¶22 that some of the tax refund monies would be immediately returned to customers, but some would be set aside for possible use as part of the Colstrip depreciation resolution.)²

6 This Commission has long recognized that it has many tools at its disposal for purposes of setting rates, and otherwise “shaping” the rate impact over time. Indeed, in Docket No. UE-120436, the Commission approved the use of ERM dollars to offset a portion of the Avista rate increase in 2013 and 2014 (See Order No. 09, ¶97, dated December 26, 2012). The Commission, as a part of the approved Two-Year Rate Plan in that proceeding, agreed with the Settling Parties on the need to “levelize” or shape the rate impact over the two year rate period, January 1, 2013 through December 31, 2014.³ The Commission also approved a settlement stipulation, in Avista’s subsequent general rate case proceeding, where it approved the use of additional ERM dollars to help mitigate the overall general rate increase effective January 1, 2015.⁴

¹ See Kalich Exhibit CGK-1T, at p. 8, in Docket No. UE-190334.

² Indeed, the Commission in Docket No. UE-180167, recently rejected that portion of the depreciation settlement dealing with Colstrip, finding that, inter alia, the use of approximately \$10.8 million of tax refund monies should be addressed in the recently filed general rate case, Docket No. UE-190334.

³ In Joint Testimony, Exh JT-1T, at p. 27, ll. 16-18) filed in support of the Settlement approved by the Commission in Docket No. UE-120436, Staff testified that “(o)ne of the central elements of the Settlement is the use of ERM balances for the customers’ benefit to mitigate rate pressures customers will experience for the next two years under the terms of the Settlement.”

⁴ Docket No. UE-140188, Order 05, November 25, 2014.

