

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

AVISTA CORPORATION, d/b/a
AVISTA UTILITIES,

Respondent.

DOCKETS UE-160228 and
UG-160229 (*Consolidated*)

ORDER 01

COMPLAINT AND ORDER
SUSPENDING TARIFF REVISIONS
AND ORDER OF
CONSOLIDATION

BACKGROUND

- 1 On February 19, 2016, 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.
- 2 In this filing, Avista requests authority to increase charges and rates for electric service by approximately \$38.6 million, or 7.6 percent in billed rates, effective January 1, 2017. Avista also requests an overall increase in electric base revenues of \$10.3 million, or 3.9 percent, to become effective January 1, 2018. Because these 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, the Commission suspends the tariff filing and will hold public hearings, if necessary, to determine whether the proposed increases are fair, just, reasonable, and sufficient.
- 3 On February 19, 2016, 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 Washington.

4 In this filing, Avista seeks to increase rates for natural gas service by approximately \$4.4 million, or 2.8 percent in billed rates, effective January 1, 2017. Avista is also proposing a second-step natural gas revenue increase of \$0.9 million, or 1 percent in billed rates, effective January 1, 2018. Because these 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, the Commission suspends the tariff filing and will hold public hearings, if necessary, to determine whether the proposed increases are fair, just, reasonable and sufficient.

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.

FINDINGS AND CONCLUSIONS

- 6 (1) The Washington Utilities and Transportation 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.
- 7 (2) Avista is an electric and natural gas company and a public service company subject to Commission jurisdiction.
- 8 (3) The tariff revisions Avista filed on February 19, 2016, would increase charges and rates for service provided by Avista and might injuriously affect the rights and interest of the public.
- 9 (4) Avista has not yet demonstrated that the tariff revisions would result in rates that are fair, just, reasonable, and sufficient.
- 10 (5) 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.

- 11 (6) In order to carry out the duties imposed upon the Commission by law, and as authorized in RCW 80.04.130, the Commission believes 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. The Commission finds that these dockets meet the criteria of WAC 480-07-400(2)(b)(i) and that discovery will be conducted pursuant to the Commissions discovery rules in WAC 480-07-400 – 425.
- 12 (7) As required by RCW 80.04.130(4), Avista bears the burden of proof to show that the proposed increases are fair, just, reasonable, and sufficient.
- 13 (8) Avista may be required to pay the expenses reasonably attributable and allocable to such an investigation, consistent with RCW 80.20.

ORDER

THE COMMISSION ORDERS:

- 14 (1) The tariff revisions Avista Corporation, d/b/a Avista Utilities filed on February 19, 2016, are suspended.
- 15 (2) Dockets UE-160228 and UG-160229 are consolidated for hearing and determination under WAC 480-07-320.
- 16 (3) The Commission will hold hearings at such times and places as may be required. Such hearings may also examine Avista's rates and charges for electric or natural gas service shown on any tariffs that Avista does not propose to revise.
- 17 (4) Avista must not change or alter the tariffs filed in these dockets during the suspension period, unless authorized by the Commission.
- 18 (5) The Commission will institute an investigation of Avista's books, accounts, practices, activities, property, and operations as described above.
- 19 (6) Discovery will be conducted pursuant to the Commission's discovery rules in WAC 480-07-400 – 425.

- 20 (7) Avista shall pay the expenses reasonably attributable and allocable to the Commission's investigation, consistent with RCW 80.20.

DATED at Olympia, Washington, and effective March 7, 2016.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

PHILIP B. JONES, Commissioner

ANN E. RENDAHL, Commissioner

Appendix

Proposed Tariff Revisions to be Effective January 1, 2017

Tariff WN U-28, Electric Service		
14 th Revision Sheet 1	Canceling	Substitute 13 th Revision Sheet 1
14 th Revision Sheet 11	Canceling	Substitute 13 th Revision Sheet 11
14 th Revision Sheet 21	Canceling	Substitute 13 th Revision Sheet 21
14 th Revision Sheet 25	Canceling	Substitute 13 th Revision Sheet 25
11 th Revision Sheet 25A	Canceling	Substitute 10 th Revision Sheet 25A
14 th Revision Sheet 31	Canceling	Substitute 13 th Revision Sheet 31
13 th Revision Sheet 41	Canceling	Substitute 12 th Revision Sheet 41
13 th Revision Sheet 42	Canceling	Substitute 12 th Revision Sheet 42
7 th Revision Sheet 42A	Canceling	Substitute 6 th Revision Sheet 42A
13 th Revision Sheet 44	Canceling	Substitute 12 th Revision Sheet 44
14 th Revision Sheet 45	Canceling	Substitute 13 th Revision Sheet 45
14 th Revision Sheet 46	Canceling	Substitute 13 th Revision Sheet 46
13 th Revision Sheet 47	Canceling	Substitute 12 th Revision Sheet 47
14 th Revision Sheet 47A	Canceling	Substitute 13 th Revision Sheet 47A
Tariff WN U-29, Natural Gas Service		
15 th Revision Sheet 101	Canceling	Substitute 14 th Revision Sheet 101
15 th Revision Sheet 111	Canceling	Substitute 14 th Revision Sheet 111
15 th Revision Sheet 112	Canceling	Substitute 14 th Revision Sheet 112
15 th Revision Sheet 121	Canceling	Substitute 14 th Revision Sheet 121
6 th Revision Sheet 121A	Canceling	Substitute 5 th Revision Sheet 121A
15 th Revision Sheet 122	Canceling	Substitute 14 th Revision Sheet 122
6 th Revision Sheet 122A	Canceling	Substitute 5 th Revision Sheet 122A
15 th Revision Sheet 131	Canceling	Substitute 14 th Revision Sheet 131
6 th Revision Sheet 131A	Canceling	Substitute 5 th Revision Sheet 131A
15 th Revision Sheet 132	Canceling	Substitute 14 th Revision Sheet 132
6 th Revision Sheet 132A	Canceling	Substitute 5 th Revision Sheet 132A
15 th Revision Sheet 146	Canceling	Substitute 14 th Revision Sheet 146

Proposed Tariff Revisions to be Effective January 1, 2018

Tariff WN U-28, Electric Service		
15 th Revision Sheet 1	Canceling	14 th Revision Sheet 1
15 th Revision Sheet 11	Canceling	14 th Revision Sheet 11
15 th Revision Sheet 21	Canceling	14 th Revision Sheet 21
15 th Revision Sheet 25	Canceling	14 th Revision Sheet 25
12 th Revision Sheet 25A	Canceling	11 th Revision Sheet 25A
15 th Revision Sheet 31	Canceling	14 th Revision Sheet 31
14 th Revision Sheet 41	Canceling	13 th Revision Sheet 41
14 th Revision Sheet 42	Canceling	13 th Revision Sheet 42
8 th Revision Sheet 42A	Canceling	7 th Revision Sheet 42A
14 th Revision Sheet 44	Canceling	13 th Revision Sheet 44
15 th Revision Sheet 45	Canceling	14 th Revision Sheet 45
15 th Revision Sheet 46	Canceling	14 th Revision Sheet 46
14 th Revision Sheet 47	Canceling	13 th Revision Sheet 47
15 th Revision Sheet 47A	Canceling	14 th Revision Sheet 47A
13 th Revision Sheet 93	Canceling	12 th Revision Sheet 93
Tariff WN U-29, Natural Gas Service		
16 th Revision Sheet 101	Canceling	15 th Revision Sheet 101
16 th Revision Sheet 111	Canceling	15 th Revision Sheet 111
16 th Revision Sheet 112	Canceling	15 th Revision Sheet 112
16 th Revision Sheet 121	Canceling	15 th Revision Sheet 121
7 th Revision Sheet 121A	Canceling	6 th Revision Sheet 121A
16 th Revision Sheet 122	Canceling	15 th Revision Sheet 122
7 th Revision Sheet 122A	Canceling	6 th Revision Sheet 122A
16 th Revision Sheet 131	Canceling	15 th Revision Sheet 131
7 th Revision Sheet 131A	Canceling	6 th Revision Sheet 131A
16 th Revision Sheet 132	Canceling	15 th Revision Sheet 132
7 th Revision Sheet 132A	Canceling	6 th Revision Sheet 132A
16 th Revision Sheet 146	Canceling	15 th Revision Sheet 146