

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of)	DOCKET UE-061411
)	
AVISTA CORPORATION, D/B/A)	ORDER 01
AVISTA UTILITIES,)	
)	
For an Order Approving Avista’s)	COMPLAINT AND ORDER
Update of its Base Power Supply)	SUSPENDING TARIFF REVISIONS
and Transmission Costs.)	
)	
.....)	

BACKGROUND

- 1 On August 31, 2006, Avista Corporation d/b/a Avista Utilities (Avista) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff WN U-28, designated as 5th revised sheet 1 canceling 4th revised sheet 1, 5th revised sheet 11, canceling 4th revised sheet 11, 5th revised sheet 21 canceling 4th revised sheet 21, 5th revised sheet 25 canceling 4th revised sheet 25, and 2nd revised sheet 25A canceling 1st revised sheet 25A.¹ The stated effective date is October 2, 2006. The proposed revisions implement a rate increase of \$28.9 million, or 8.8 percent.

- 2 The Commission convened a prehearing conference in this matter on September 27, 2006, before Administrative Law Judge C. Robert Wallis. On the record of the conference, Avista consented to entry of a Commission complaint and order suspending the tariff pages filed on August 31 and September 12, 2006. Avista waived its right to object to the procedure by which this order is entered.

- 3 The Commission finds that the filing would increase charges and rates for service provided by Avista. Because those 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 and reasonable, the Commission suspends the tariff filing and will hold public hearings if necessary to determine whether the proposed increases are fair, just and reasonable.

¹ One tariff sheet was inadvertently omitted from the August 31 filing. Tariff WN U-28, designated as 5th revised sheet 31 canceling 4th revised sheet 31 was filed on September 12, 2006.

FINDINGS AND CONCLUSIONS

- 4 (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, and transfers of public service companies, including electric companies. *RCW 80.01.040, Chapter 80.04 RCW, Chapter 80.28 RCW, Chapter 80.08 RCW and Chapter 80.12 RCW.*
- 5 (2) Avista is an electric company and is a public service company subject to the jurisdiction of the Commission.
- 6 (3) The tariff revisions filed by Avista on August 31 and September 12, 2006 would increase charges and rates for service provided by Avista, and might injuriously affect the rights and interests of the public.
- 7 (4) Avista has not yet demonstrated that the tariff revisions would result in rates that are fair, just and reasonable.
- 8 (5) 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.
- 9 (6) As required by RCW 80.04.130 (4), Avista bears the burden of proof to show that the proposed increases are fair, just and reasonable.
- 10 (7) Avista may be required to pay the expenses reasonably attributable and allocable to such an investigation to the extent the requirements for such payment are in accordance with the provisions of Chapter 80.20 RCW.

ORDER

THE COMMISSION ORDERS:

- 11 (1) The tariff revision(s) filed on August 31 and September 12, 2006 are suspended.
- 12 (2) The Commission will hold hearings at such times and places as may be required.
- 13 (3) Avista Corporation d/b/a Avista Utilities must not change or alter the tariffs filed in this docket during the suspension period, unless authorized to do so in this docket by the Commission by order or by letter from the Secretary of the Commission.
- 14 (4) The Commission will institute an investigation of Avista Corporation d/b/a Avista Utilities books, accounts, practices, activities, property and operations as described above.
- 15 (5) Avista Corporation d/b/a Avista Utilities shall pay the expenses reasonably attributable and allocable to the Commission's investigation to the extent the requirements for such payment are in accordance with the provisions of Chapter 80.20 RCW.

DATED at Olympia, Washington, and effective September 28, 2006.

WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

MARK H. SIDRAN, Chairman

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner